City of Garland, Texas

2020

Comprehensive Annual Financial Report

for the year ended
September 30, 2020

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GARLAND

CITY OF GARLAND, TEXAS

COMPREHENSIVE ANNUAL FINANCIAL REPORT

YEAR ENDED SEPTEMBER 30, 2020

CITY COUNCIL

Scott LeMay, Mayor
Ricky McNeal, District 1
Deborah Morris, District 2
Jerry Nickerson, Mayor Pro Tem, District 3
B. J. Williams, District 4
Rich Aubin, District 5
Robert Vera, District 6
Dylan Hedrick, District 7
Robert John Smith, District 8

CITY MANAGER

Bryan Bradford

MANAGING DIRECTOR, FINANCIAL SERVICES

Matt Watson

Prepared by

Financial Services Department

CITY OF GARLAND, TEXAS
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020

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March 10, 2021

Citizens of the City of Garland
Garland, Texas

Dear Citizens:

The Comprehensive Annual Financial Report (Annual Report) of the City of Garland, Texas (the City), for the year ended September 30, 2020 is hereby submitted. The report is published to provide detailed information concerning the financial condition of the City to our citizens and the financial community, as well as other interested parties. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the City. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the City, on a Government-wide and Fund basis. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

The Governmental Accounting Standards Board requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The City's MD&A can be found immediately after the independent auditors' report.

GENERAL INFORMATION – CITY OF GARLAND

The City of Garland is located northeast of Dallas and is one of the largest communities in the Dallas/Fort Worth Metroplex. As the 13th largest city in Texas, Garland covers 57 square miles and is bordered by three major freeways: Interstate 635, Interstate 30, and State Highway 190 (President George Bush Turnpike).

The City is a political subdivision and municipal corporation of the State, duly organized and existing under the laws of the State, including the City's home rule Charter. The City was incorporated in 1891 and first adopted its Home Rule Charter in 1951. The City operates under a Council/Manager form of government with a City Council comprised of the Mayor and eight Council members. The City Manager is the chief administrative officer for the City.

The financial reporting entity (the government) includes all the funds of the primary government (i.e., the City of Garland as legally defined), as well as all of its component units. Component units are legally separate entities for which the primary government is financially accountable. The government provides a full range of services including police and fire protection; the construction and maintenance of highways, streets, and infrastructure; recreational activities and cultural events; electric, water, and wastewater utility services; golf course facilities; storm water facilities, and sanitation collection services.

Discretely presented component units are legally separate entities and not part of the primary government's operations. Accordingly, the Garland Housing Finance Corporation, the Garland Economic Development Authority, and the Garland Health Facilities Development Corporation are not included in the primary government. In accordance with GASB Statement No. 61, "The Financial Reporting Entity: Omnibus – an amendment of GASB Statement No. 14 and No. 34", the City determined that the Garland Health Facilities Development Corporation and the Garland Economic Development Authority, which were discretely presented as component units in the City's financial statements in prior years, are no longer necessary to be reported within the City's financial statements and have been excluded from the City's FY2020 Comprehensive Annual Financial Report. The Garland Independent School District is excluded from this report because it is a separate governmental entity with a separately elected board of trustees.

The Garland Foundation for Development (GFFD) was organized to promote economic development and other activities within the Garland Community. The City Council serves as the board members for GFFD and the City Manager is the Executive Director. GFFD is reported as a blended component unit of the non-major governmental fund.

The Garland Public Facility Corporation (GPFC) was created as a public facility corporation for the purpose of assisting the City in financing, refinancing, or providing public facilities. The Mayor and City Council serves as the board members of the GPFC. GPFC is reported as a blended component unit of the non-major governmental funds.

DEMOGRAPHICS

Garland's population totaled 226,876 in the 2010 census count with current estimates placing the population at approximately 242,914. Garland has an estimated 83,992 housing units and an employment base of approximately 127,123. Garland is diverse in ethnicity and education. Most recent estimates place the city's population at 59.8% white, 13.7% African American, 0.5% American Indian, 11.0% Asian, 3.9% two or more races, and 11.1% other race. An estimated 41.3% is Hispanic/Latino (of any race). More than 75% of the city's adult population is educated above the high school level, with more than 20% of the population possessing a bachelor's degree or higher. Per the Garland Economic Development Office, the 2020 estimated average household income in Garland was $76,909. Per the Dallas Central Appraisal District, the average market value for detached single-family residences in Garland for 2020 is $208,200.

LOCAL ECONOMY AND DEVELOPMENT

Garland is known for its economic and industrial base, which consists of more than 5,000 businesses including approximately 300 manufacturing companies. The City has been recognized as a manufacturing community since the 1940s, and numerous Fortune 500 corporations along with many others have selected Garland as home base for their strategic operations. The following is a partial list of companies that maintain operations in Garland:

Arrow Fabrication Tubing	*General Dynamics Corp.*	*Packaging Corp. of America*
Batory Foods	*Kirchhoff Automotive*	*Plastipak Packaging*
Cosmax NBT	*Kraft Heinz Foods*	*Quest USA*
Daisy Brands, Inc.	*Mapei Corporation*	*Resistol Hats*
Ecolab, Inc.	*NTT Data Center*	*Sherwin-Williams*
Epiroc Drilling Solutions	*O'Neal Flat Rolled Metals*	*US Food Services*

Kraft Heinz Food Company, operated in Garland since 1949, committed to invest an additional $25 million and create more than 200 full-time jobs. Currently, the Kraft Garland facility is the largest private employer with a total of 843 employees and one of the largest tax payers. AQS, Inc., headquartered in California, purchased and occupied a 60,000 square-foot facility and committed to invest $3.6 million in new machinery and equipment and create 150 full-time jobs. The company manufactures computer chips and circuit boards that will serve the healthcare, automotive, mobile, and gaming industries. HIP Colfin Marquis Drive LLC constructed two new Class A industrial buildings comprised of 354,000 square feet with more than $11 million in investments. The developer has completed three previous industrial projects with more than 680,000 square feet since 2016. The DFW industrial market continues to

be competitive, and Garland continually needs additional Class A industrial space to further attract and accommodate targeted users.

In response to the rapidly-increasing data traffic and central location advantage, the DFW market is becoming one of the largest data center markets in the nation. Along with a 230,000 square-foot facility owned and operated by NTT Global Data Centers, formerly known as RagingWire, Stream Data Center completed and opened its 150,000 square-foot center in the fourth quarter of 2019. Digital Realty, the largest colocation provider in the world, is also increasing its investment in Garland with another $500 million by adding 16 acres of development. Once all data centers have completed their projects, the Garland data center campus will comprise 2 million square feet on more than 120 acres. The area along the President George Bush Turnpike has also seen a tremendous amount of commercial development, such as data centers, mixed use, and other projects, totaling more than $3 billion in new investments since 2018.

In May 2019, Garland citizens approved a bond package, which includes $46.0 million for economic development to promote and better support investment and revitalization across the city. The City continues to focus on increasing real estate values and enhancing quality of life for Garland residents and businesses. The funding will allow the City to acquire and assemble larger parcels for significant reinvestment. Multiple City-owned sites are ready for a mix of potential uses from single-family home development to restaurant, retail, and other neighborhood service establishments. Further, the voters also approved bond funding for parks and recreation, which will allow the City to construct and improve park systems and offer a more pedestrian-friendly environment with new hike and bike trails. These projects will enhance and help promote greater investment in the area.

The small business and retail sectors are expected to be impacted most by the COVID-19 pandemic. The City has been working with community stakeholders to actively assist and support Garland businesses and provide resources.

ECONOMIC CONDITIONS AND OUTLOOK

Garland's General Fund revenues from all sources are anticipated to reach $182.8 million in FY 2020-21, a decrease of $318,000 (0.2%) from last year's approved budget. Garland's property tax base grew to $17.1 billion in 2020, an increase of 5/1% from last year's valuation. New construction accounts for 1.8% of the increase in property values, while existing properties contributed 3.3%. As a result, property tax revenues in the general fund are projected to increase $2.5 million. Sales tax, the General Fund's second largest source of revenue, is projected to decrease by $2.1 million (6.8%) from the FY2019-20 approved budget due to the pandemic and anticipated recession. Ambulance fees, interest income, licensees & permits, and court fines are projected to substantially decrease.

The budget priorities for FY2020-21 are primarily focused on weathering the financial impacts of the pandemic and realigning resources to meet high priority needs. The priorities include:

- Maintain current city service levels.
- Provide resources to maintain implementation of 2019 bond program.
- Address the need for additional 911 dispatchers.
- Maintain a high level of excess reserves for future needs.

To address these priorities, the FY2020-21 adopted budget includes proactive cost-saving measures such as department reductions to operations and capital budgets, banking 11 full-time and five part-time positions, elimination of six full-time positions, and the suspension of merit and salary increases. To ensure the City has the flexibility to react to unexpected financial shortfalls or emergency needs in these very uncertain times, the approved budget maintains the $5.3 million reserve established last year in the General Fund.

The City's adopted budget is based on a tax rate of 76.96 cents per $100 of valuation which is unchanged from last year. The budget is also reflective of the tax relief provided by the City Council in the form of a 2% increase to the Homestead Exemption and $5,000 increase to the Senior Exemption. This is the first time either of these exemptions has been increased in twelve years.

FINANCIAL INFORMATION

Accounting and Budgetary Controls

The City's accounting records for general governmental operations are maintained on a modified accrual basis, with revenues being recorded when available and measurable, and expenditures being recorded when the liability is incurred. Proprietary operations are maintained on a full accrual basis.

Budgetary control is maintained at the fund level, and encumbrances are entered at the time a purchase order is issued. Outstanding encumbrance's lapse at fiscal year-end and the subsequent year's budget is amended to reflect these outstanding encumbrances. Unspent and unencumbered appropriations lapse at the end of the fiscal year.

The budgetary process begins each year with the preparation of both current and proposed year revenue estimates by the City's revenue managers and the Budget Director. Expenditure budgets are then developed using a *target budgeting* approach. Departments base their initial budget submission on their allocated share of the projected resources, but they can make requests for additional items which the City Manager or City Council may choose to

fund. This target budget methodology results in a balanced budget presented to Council. The Proposed Budget is reviewed extensively by the City Council, and the process includes a Charter-mandated public hearing and work sessions that are open to the public. The City Charter requires adoption of the City budget by no later than September 20th. Activities of the general, debt service, community development block grant, housing assistance, neighborhood services, police training, hotel/motel, narcotic seizure, CARES relief act, TIF, and internal service funds are included in the annual appropriated budget.

While the budget is developed and controlled at the departmental level, appropriations are set at the fund level. An ordinance establishes the budget for operating expenses, debt services payments, and interfund transfers, while a separate ordinance establishes the property tax rate.

Changes to approved expenditures are incorporated into the current year budget throughout the year in the form of budget amendments approved by Council. These amendments, as well as updated revenues and other revised expenses, become part of the Revised Budget that is presented to Council concurrent with the Proposed Budget.

During the course of the fiscal year, each department director monitors expenditure controls with overall review exercised by the Budget Director and the City Manager. Monthly expenditure reports are distributed based on the automated accounting system that provide year-to-date expenditure totals for each line item compared to the amount expended at that point in time in the prior year.

Constant review and oversight of revenue and expenditure trends is maintained with specific responsibility assigned to department directors, revenue managers, and the Budget Director. Recommendations for corrective action are made to the City Manager (and to the City Council, if appropriate) as needed to ensure the integrity of the Adopted Budget.

Management of the City is responsible for establishing and maintaining an internal control system designed to ensure that the City's assets are protected from loss, theft, or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in accordance with generally accepted accounting principles. The internal control system is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived; and the evaluation of costs and benefits requires estimates and judgments by management.

As a recipient of Federal and State financial awards, the City is responsible for ensuring that adequate internal controls are in place to ensure compliance with applicable laws and regulations relating to these programs. Internal controls are subject to periodic evaluation by management, the City's Internal Audit Department, and independent auditors.

As part of the City's single audit, the independent auditors make tests to determine the adequacy of the internal controls, including that portion related to Federal financial awards programs, as well as to determine that the City has complied with applicable laws and regulations. The results of the single audit are published in a separate report to management.

Long-Term Financial Planning

In order to remain financially strong and provide a framework for prudent financial management, the following financial controls are maintained annually:

- A multi-year financial forecast is prepared projecting revenues and expenditures for all major operating funds.
- A multi-year debt service forecast is prepared to project the impact of future debt service payments on the tax rate.
- Rates, fees and charges for services are reviewed and adjusted as necessary to respond to changing financial circumstances.
- Insurance coverages are examined to ensure that policy limits are adequate and in compliance with revenue bond covenants.
- Debt is not used to fund current expenditures.
- Bonds are sold to finance long-term capital projects.
- Total tax-supported debt is maintained so as not to exceed five percent (5%) of the total assessed valuation of taxable property.
- An ending "fund balance" of 30 days of budget-based operating expenditures in the General Fund is maintained as a minimum.
- An ending "fund balance" of 45 days of budget-based operating expenditures is maintained in the Enterprise Funds as a minimum.
- Internal service funds are maintained to be fully self-supporting to the extent that any retained earnings deficit is recovered in the subsequent fiscal year through increased charges to benefiting departments.

OTHER INFORMATION

Independent Audit

According to Article IV, Section 7, of the City Charter, an annual audit to be performed by independent, certified public accountants, is required to be made of the financial records of the City. Weaver and Tidwell, LLP was selected in July 2019 by the City Council to perform the annual audits. In addition to meeting the requirements set forth in the Charter, the audit also was designed to meet the requirements of the Federal Single Audit Act of 1996 and related Uniform Guidance. The independent auditor's report on the basic financial statements is included in the financial section of this report. The independent auditor's report related specifically to the single audit will be issued in a separate document.

Certificate of Achievement

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Garland for its Comprehensive Annual Financial Report for the Fiscal Year ended September 30, 2019. The Certificate of Achievement is a prestigious national award that recognizes conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report whose contents conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a one-year period. The City of Garland has received a Certificate of Achievement for the last thirty-eight consecutive years. We believe that our current report continues to conform to the Certificate of Achievement Program requirements, and we will submit it to the GFOA to determine its eligibility for another certificate.

Acknowledgements

The preparation of this Comprehensive Annual Financial Report was accomplished with the professional and dedicated efforts of the staff of the Financial Services Department. Appreciation is also extended to those individuals in other departments who contributed, directly or indirectly, to the development of this report.

In closing, we also want to thank the Mayor and the City Council for their interest and support in planning and conducting the financial operations of the City in a responsible manner.

Respectfully submitted,

Bryan L. Bradford
City Manager

Matt Watson
Managing Director of Finance

Kathryn Ritchie
Controller

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

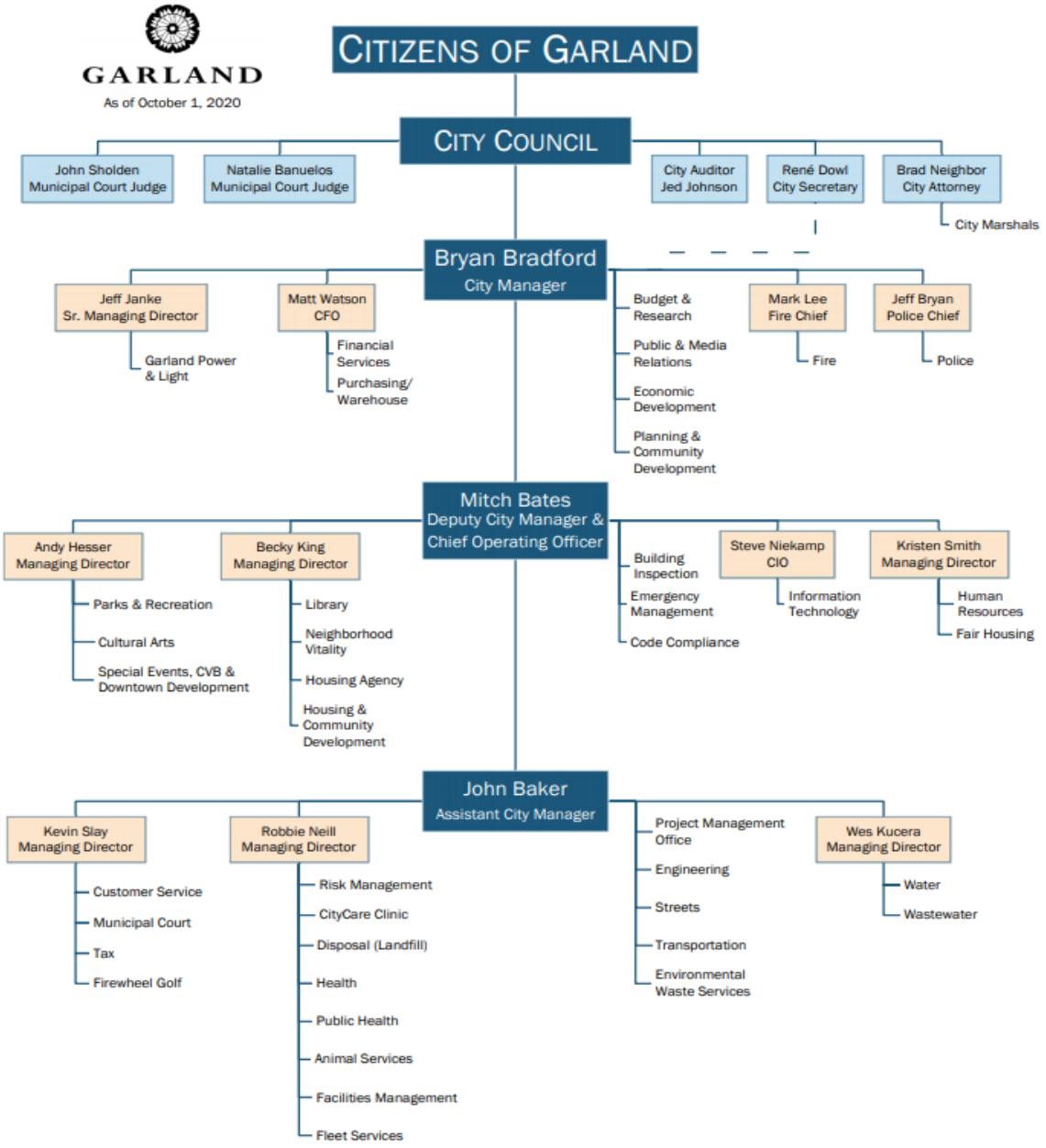
City of Garland
Texas

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

September 30, 2019

Christopher P. Morrill

Executive Director/CEO


GARLAND
As of October 1, 2020
CITIZENS OF GARLAND
CITY COUNCIL
John Sholden
Municipal Court Judge
Natalie Banuelos
Municipal Court Judge
City Auditor
Jed Johnson
René Dowl
City Secretary
Brad Neighbor
City Attorney
City Marshals
Bryan Bradford
City Manager
Jeff Janke
Sr. Managing Director
Garland Power & Light
Matt Watson
CFO
Financial Services
Purchasing/ Warehouse
Budget & Research
Public & Media Relations
Economic Development
Planning & Community Development
Mark Lee
Fire Chief
Fire
Jeff Bryan
Police Chief
Police
Mitch Bates
Deputy City Manager & Chief Operating Officer
Andy Hesser
Managing Director
Parks & Recreation
Cultural Arts
Special Events, CVB & Downtown Development
Becky King
Managing Director
Library
Neighborhood Vitality
Housing Agency
Housing & Community Development
Building Inspection
Emergency Management
Code Compliance
Steve Niekamp
CIO
Information Technology
Kristen Smith
Managing Director
Human Resources
Fair Housing
John Baker
Assistant City Manager
Kevin Slay
Managing Director
Customer Service
Municipal Court
Tax
Firewheel Golf
Robbie Neill
Managing Director
Risk Management
CityCare Clinic
Disposal (Landfill)
Health
Public Health
Animal Services
Facilities Management
Fleet Services
Project Management Office
Engineering
Streets
Transportation
Environmental Waste Services
Wes Kucera
Managing Director
Water
Wastewater

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Independent Auditor's Report

To the Honorable Mayor, Members of the City Council and City Manager
City of Garland, Texas

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Garland (the City) as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of Garland Housing Finance Corporation (GHFC), the discretely presented component unit of the City of Garland as of and for the year ended December 31, 2019. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the GHFC is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

Weaver and Tidwell, L.L.P.
2300 North Field Street, Suite 1000 | Dallas, Texas 75201
Main: 972.490.1970

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Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City, as of September 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis and the Required Supplementary Information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying combining and individual fund financial statements and schedules listed in the table of contents and the introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The accompanying combining and individual fund financial statements and schedules listed in the table of contents are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying combining and individual fund financial statements and schedules listed in the foregoing table of contents are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory section and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Weaver and Tidwell, L.L.P.

WEAVER AND TIDWELL, L.L.P.

Dallas, Texas
March 10, 2021

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City of Garland, Texas
Management's Discussion and Analysis
(Unaudited)

As management of the City of Garland, we offer readers of the City of Garland's financial statements this narrative overview and analysis of the financial activities of the City of Garland for the fiscal year ended September 30, 2020. All amounts, unless otherwise indicated, are expressed in dollars.

Financial Highlights

- The assets and deferred outflows of the City of Garland (the City) exceeded its liabilities and deferred inflows at the close of the fiscal year by $1,028,508,053. Ending net position for governmental activities amount to $259,657,381 and the ending net position for the business type activities amount to $768,850,672.
- Net position for the governmental activities increased $50,119,324 and the net position for the business type activities increased $47,794,753 for a total increase in the City's net position of $97,914,077. Contributing factors related to the increase in governmental activities and in business type activities are discussed in the governmental activities and business type activities sections of this overview and analysis.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of $123,588,551. Of the combined ending fund balances, $2,216 is nonspendable, $52,773,363 is restricted, $25,723,053 is committed, $21,928,247 is assigned, and $23,161,672 is unassigned.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements

The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

The statement of net position presents information on all of the City's assets, deferred inflows/outflows, and liabilities with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The statement of activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government, public safety, highways and streets, landfill, economic development, and culture and recreation. The business-type activities of the City include electric, water, sewer, golf, heliport, storm water, parks performance, and sanitation operations.

The government-wide financial statements include not only the City itself (known as the primary government), but also a legally separate non-profit corporation for which the City is financially accountable. Financial information for the component unit is reported separately from the financial information presented for the primary government itself.

The government-wide financial statements can be found on pages 26-27 of this report.

Fund financial statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into two categories: governmental funds and proprietary funds. The City also maintains a fiduciary trust fund for the other post-employment benefits (OPEB).

Governmental funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare it to the information presented for the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the balance sheet and the statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintains fifteen individual governmental funds. The General Fund, the Debt Service Fund, and the Capital Projects Fund, are considered to be major funds. Major funds are presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances. Data from the other twelve governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

The City adopts an annual appropriated budget for its General Fund. A budgetary comparison schedule has been provided as required supplementary information for the General Fund to demonstrate compliance with this budget.

The basic governmental funds financial statements can be found on pages 28-31 of this report.

Proprietary funds

The City maintains two different types of proprietary funds, enterprise funds and internal service funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its electric, water, sewer, golf, heliport, storm water management, parks performance, and sanitation operations. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for group health, self-insurance, long-term disability insurance, fleet, vehicle replacement, information technology, facilities management, warehouse, and customer service operations. The internal service funds are allocated between the governmental and business-type activities based on the level of support each internal service provides to a governmental and business-type activity.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The electric, water, and sewer operations are considered to be major funds of the City. Conversely, the internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the non-major enterprise funds can be found on pages 117-121 and for the internal service funds on pages 123-125.

The proprietary fund financial statements can be found on pages 32-36 of this report.

Fiduciary funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statements can be found on pages 37-38 of this report.

Notes to the financial statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 39-95 of this report.

Other information

Required supplementary information concerning the General Fund schedule of revenues, expenditures, and changes in fund balances – budget and actual for the year ended September 30, 2020, the net pension liability schedules, and the City's Net Other Postemployment Benefits (OPEB) liability schedules, are presented on pages 96-102 of this report.

Government-wide Financial Analysis

Total assets and deferred outflows at fiscal year-end amount to $2,525,404,644. Current and other assets comprise 31.40% and capital assets comprise 67.14% of the total assets and deferred outflows. Total assets and deferred outflows increased $81,944,679 during the fiscal year primarily as a result of significant additions to fixed asset and construction in progress. Fixed assets and construction in progress are described in the capital asset section of this overview and analysis.

Total liabilities and deferred inflows at the end of the fiscal year amount to $1,496,896,591. Long-term liabilities comprise 88.73% and other liabilities comprise 8.65% of the total liabilities and deferred inflows. Total liabilities and deferred inflows decreased $15,969,398 during the fiscal year.

As mentioned earlier, net position may serve over time as a useful indicator of the government's financial position. In the case of the City, assets and deferred outflows exceeded liabilities and deferred inflows (net position) by $1,028,508,053 for the fiscal year ended September 30, 2020. The largest portion of the City's net position, $667,744,407, represents 64.92% of the total net assets and reflects its investment in capital assets (e.g., land, buildings, machinery, equipment and systems) less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. An additional portion of the City's net position, $216,705,505, represents 21.07% of the total net position and represents resources that are subject to external restrictions on how they may be used. These restrictions are detailed in revenue bond debt covenants, the City of Garland Charter, grant contracts, and state law. The remaining balance of unrestricted net position, $144,058,141, represents 14.01% of total net position and may be used to meet the City's ongoing obligations to citizens and creditors.

A comparative schedule of condensed government-wide net position is presented on the following page.

Condensed Statement of Net Position

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Current and other assets	$ 235,643,154	$ 224,094,763	$ 557,343,482	$ 563,290,874	$ 792,986,636	$ 787,385,637
Capital assets	518,405,450	471,976,910	1,177,173,868	1,104,088,968	1,695,579,318	1,576,065,878
Total assets	754,048,604	696,071,673	1,734,517,350	1,667,379,842	2,488,565,954	2,363,451,515
Total deferred outflows of resources	26,466,520	56,566,038	10,372,170	23,442,412	36,838,690	80,008,450
Long-term liabilities Outstanding	402,350,437	439,142,922	925,885,394	917,418,630	1,328,235,831	1,356,561,552
Other liabilities	91,173,271	97,763,499	38,311,607	50,374,244	129,484,878	148,137,743
Total liabilities	493,523,708	536,906,421	964,197,001	967,792,874	1,457,720,709	1,504,699,295
Total deferred inflows of resources	27,334,035	6,193,233	11,841,847	1,973,461	39,175,882	8,166,694
Net position:						
Net investment in capital assets	237,358,502	183,829,761	430,385,905	433,039,663	667,744,407	616,869,424
Restricted for:						
Debt Service	5,720,083	4,348,225	8,065,723	7,992,887	13,785,806	12,341,112
Construction	2,072,994	1,758,414	-	-	2,072,994	1,758,414
Rate Mitigation	-	-	192,192,288	173,892,697	192,192,288	173,892,697
Housing Assistance	3,943,520	1,898,867	-	-	3,943,520	1,898,867
Other Grant Programs	4,710,897	4,467,248	-	-	4,710,897	4,467,248
Unrestricted	5,851,385	13,235,542	138,206,756	106,130,672	144,058,141	119,366,214
Total net position	$ 259,657,381	$ 209,538,057	$ 768,850,672	$ 721,055,919	$ 1,028,508,053	$ 930,593,976

The total net position increased $97,914,077 in the 2020 fiscal year. Governmental activities increased $50,119,324 while the business-type activities increased this total by $47,794,753. These increases are discussed in the governmental activities section and the business-type activities section of this overview and analysis.

Schedule of Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Revenues:						
Program revenues:						
Charges for services	$ 50,209,395	$ 52,275,657	$ 442,187,138	$ 443,140,871	$ 492,396,533	$ 495,416,528
Operating grants and contributions	31,861,124	17,041,881	-	-	31,861,124	17,041,881
Capital grants and contributions	10,947,632	6,572,632	4,070,500	3,311,593	15,018,132	9,884,225
General Revenues:						
Property taxes	124,854,949	106,255,121	-	-	124,854,949	106,255,121
Sales taxes	30,527,171	31,035,747	-	-	30,527,171	31,035,747
Other taxes	8,709,766	10,567,493	-	-	8,709,766	10,567,493
Unrestricted interest earnings	3,720,948	6,072,790	6,819,640	8,233,512	10,540,588	14,306,302
Miscellaneous	129,546	833,032	12,185,399	15,493,423	12,314,945	16,326,455
Total Revenues	260,960,531	230,654,353	465,262,677	470,179,399	726,223,208	700,833,752
Expenses:						
General government	42,142,722	37,666,863	-	-	42,142,722	37,666,863
Public safety	120,243,599	120,253,380	-	-	120,243,599	120,253,380
Public works	48,199,894	46,038,188	-	-	48,199,894	46,038,188
Culture and recreation	26,708,528	28,281,367	-	-	26,708,528	28,281,367
Public health	5,072,234	5,144,733	-	-	5,072,234	5,144,733
Interest and fiscal charges	6,648,006	6,669,810	-	-	6,648,006	6,669,810
Electric	-	-	241,329,104	236,681,376	241,329,104	236,681,376
Water	-	-	67,600,465	65,530,161	67,600,465	65,530,161
Sewer	-	-	39,666,456	38,297,685	39,666,456	38,297,685
Golf	-	-	4,705,089	4,875,332	4,705,089	4,875,332
Heliport	-	-	23,272	19,060	23,272	19,060
Storm Water Management	-	-	4,285,236	4,206,675	4,285,236	4,206,675
Parks Performance	-	-	705,424	1,159,836	705,424	1,159,836
Sanitation	-	-	20,979,102	19,991,136	20,979,102	19,991,136
Total expenses	249,014,983	244,054,341	379,294,148	370,761,261	628,309,131	614,815,602
Change in net position before transfers	11,945,548	(13,399,988)	85,968,529	99,418,138	97,914,077	86,018,150
Transfers	38,173,776	35,095,634	(38,173,776)	(35,095,634)	-	-
Increase (decrease) in net position	50,119,324	21,695,646	47,794,753	64,322,504	97,914,077	86,018,150
Cumulative effect of change in acctg principle	-	-	-	(29,518)	-	(29,518)
Net change in net position	50,119,324	21,695,646	47,794,753	64,292,986	97,914,077	85,988,632
Net position - beginning	209,538,057	187,842,411	721,055,919	656,762,933	930,593,976	844,605,344
Net position - ending	$259,657,381	$ 209,538,057	$ 768,850,672	$721,055,919	$1,028,508,053	$ 930,593,976

Governmental activities

Governmental activities increased the City's net position by $50,119,324 in fiscal year 2020. Key factors that contributed to this improvement are discussed below.

Revenues by Source – Governmental Activities

Revenues by Source

	2020		2019		Amount	Percentage
	Amount	Percentage	Amount	Percentage	Change	Change
Charges for services	$ 50,209,395	19.24%	$ 52,275,657	22.70%	$ (2,066,262)	-3.95%
Operating grants and contributions	31,861,124	12.21%	17,041,881	7.40%	14,819,243	86.96%
Capital grants and contributions	10,947,632	4.20%	6,572,632	2.69%	4,375,000	66.56%
Property taxes	124,854,949	47.84%	106,255,121	46.14%	18,599,828	17.50%
Sales taxes	30,527,171	11.70%	31,035,747	13.48%	(508,576)	-1.64%
Other taxes	8,709,766	3.34%	10,567,493	4.59%	(1,857,727)	-17.58%
Unrestricted interest earnings	3,720,948	1.43%	6,072,790	2.64%	(2,351,842)	-38.73%
Miscellaneous	129,546	0.04%	833,032	0.36%	(703,486)	84.45%
Total Revenues	$ 260,960,531		$ 230,654,353		$ 30,306,178	

Key changes in revenue by source included the following:

Charges for services revenue decreased $2,066,262. This decrease is directly attributed to municipal court and other City facilities being closed, or open with limited capacity during the COVID-19 pandemic.

Operating grants and contribution revenue increased $14,819,243 in FY2020 due to receipt of CARES Act funding. These funds were utilized by the City to respond to the COVID-19 public health emergency.

Property tax revenue increased $18,599,828 due to a 6.50 cent increase in the debt service tax rate which will provide the funding necessary to complete the 2004 and 2019 Bond Programs. In addition, the value of the property tax base increased 6.2%.

Expenses by Source - Governmental Activities

Expenses by Source

	2020	2019	Change
General government	$ 42,142,722	$ 37,666,863	$ 4,475,859
Public safety	120,243,599	120,253,380	(9,781)
Public works	48,199,894	46,038,188	2,161,706
Culture and recreation	26,708,528	28,281,367	(1,572,839)
Public health	5,072,234	5,144,733	(72,499)
Interest and fiscal charges	6,648,006	6,669,810	(21,804)
Total Expense	$ 249,014,983	$ 244,054,341	$ 4,960,642

Key changes in expenses by source for governmental activities are as follows:

General government expenses increased $4,475,859 in FY2020 due to operating grants and contributions received from the CARES Act to allow the City to respond to the COVID-19 public health emergency.

Business-type Activities

Business-type activities increased the City's net position by $47,794,753. Key factors that contributed to the change are discussed below.

- The electric utility incurred a net income of $39,725,939. The net income for the electric utility decreased $12,888,095 from the prior fiscal year as a result of the following:
  - Wholesale revenue decreased.
  - Amortization of other assets increased.
  - Wholesale transmission revenue increased.

- The water utility incurred a net income of $8,206,843. The net income for the water utility increased $1,244,445, from the prior fiscal year as a result of the following:
  - Water consumption increased 8.2% in FY20 from levels experienced in FY19.

- The sewer utility incurred a net income of $3,302,322. The net income for the sewer utility decreased $1,807,282, from the prior fiscal year as a result of the following:
  - Customer city services decreased due to a wetter year and less inflow and infiltration sources.

- The combined net loss for non-major enterprise funds (golf, heliport, storm water management, parks performance, and sanitation) amounted to $1,542,762. Fund balance and operating reserves are sufficient to cover this loss.

Revenues by Source – Business-type Activities

	Charges for Service		
	2020	2019	Change
Electric	$ 284,768,630	$ 291,458,932	$ (6,690,302)
Water	79,828,745	75,578,798	4,249,947
Sewer	47,421,755	46,737,430	684,325
Non-major Enterprise	30,168,008	29,365,711	802,297
Total	$ 442,187,138	$ 443,140,871	$ (953,733)

	Capital Grants and Contributions			Miscellaneous		
	2020	2019	Change	2020	2019	Change
Electric	$ 189,014	$ 186,570	$ 2,444	$11,570,398	$14,812,152	$ (3,241,754)
Water	2,424,466	2,223,720	200,746	390,132	380,866	9,266
Sewer	1,457,020	901,303	555,717	105,920	99,928	5,992
Non-major Enterprise	-	-	-	118,949	200,477	(81,528)
Total	$ 4,070,500	$ 3,311,593	$ 758,907	$12,185,399	$15,493,423	$ (3,308,024)

Expenses by Source – Business-type Activities

	2020	2019	Amount Change	Percentage Change
Electric	$241,329,104	$ 236,681,376	$ 4,647,728	1.96%
Water	67,600,465	65,530,161	2,070,304	3.16%
Sewer	39,666,456	38,297,685	1,368,771	3.57%
Non-Major	30,698,123	30,252,039	446,084	1.47%
	$379,294,148	$ 370,761,261	$ 8,532,887	2.30.%

Fiduciary funds

In the 2009 fiscal year, the City established an Other Post Employment Benefit Trust Fund which allows the City to capture long-term returns to make progress towards reducing the unfunded liability of post-employment health care. A $1,420,000 contribution in excess of the pay-as-you-go costs was made to the trust fund during the 2020 fiscal year. The City will make future contributions to the trust fund as economic conditions permit to lower the OPEB unfunded actuarial accrued liability and to ensure that funding is available for future retiree medical benefits.

Capital Asset and Debt Administration

Capital Assets

At the end of the 2020 fiscal year, the City had $1,695,579,318 invested in a broad range of capital assets including police and fire equipment, buildings, park facilities, roads, bridges, an electric system, a water system, and a sewer system. This amount represents a net increase of $119,513,440 or 7.58% increase from the prior fiscal year. Key elements of this change are as follows:

Capital Assets at Fiscal Year-end
(Net of Accumulated Depreciation)

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Land	$ 109,962,066	$ 100,635,047	$ 45,888,564	$ 43,504,033	$ 155,850,630	$ 144,139,080
Construction in Progress	75,230,029	54,945,571	67,856,141	77,583,883	143,086,170	132,529,454
Building, Improvements, equipment and systems	333,213,355	316,396,292	1,063,429,163	983,001,052	1,396,642,518	1,299,397,344
Total capital assets	$ 518,405,450	$ 471,976,910	$1,177,173,868	$1,104,088,968	$1,695,579,318	$1,576,065,878

Major capital asset additions for the current fiscal year included (amounts rounded to the nearest thousand):

Description	Amount (000's)
GP&L Substation Transmission Equipment	$ 43,919
GP&L Transmission Poles, OH Conductor Devices, and Fixtures	38,319
Citywide Street Improvements	15,431
GP&L Distribution Poles, Transformers, Towers, & US Conductors and Devices	12,554
Citywide Water System Improvements	9,445
Rowlett Creek WWTP Operations Center Renovation	6,834
Landfill Land Expansion	6,337
Citywide Wastewater System Improvements	5,363
Duck Creek WWTP Primary Clarifier Upgrades	2,493
Street and Drainage Improvements – First Street	2,278
Winters Park Lighting Improvements	2,182
Rowlett Creek WWTP Administrative Building Renovation	2,045
Carter Complex Parking Lot Renovation	1,921
Street & Drainage Improvements – Arapaho – Garland Rd to Jupiter	1,832
Landfill Equipment	1,806
Street and Drainage Improvements – Broadway – Merrimac to First	1,628
Fire Station #6 Land	1,552
Bridge Remediation Program Improvements	1,547
Street & Drainage Improvements – Miller Rd	1,505
100 Ft. Ladder Truck	1,401
Library Materials	626

A few of the Capital Improvement Program projects under construction at the end of the current fiscal year included (amounts rounded to the nearest thousand):

Description	Amount (000's)
Apollo Substation Rebuild	$15,063
Shiloh Road - IH635 to Kingsley	14,863
Pleasant Valley Road - Richfield to Miles	7,141
Relocate City Wastewater Mains Prior to Street Paving	3,890
Relocate City Water Mains Prior to Street Paving	3,658
Radio System Replacements	3,536
Banner Upgrade	3,311
Landfill Waste Cell #8	3,058
Fire Apparatus	3,041
Street Reconstruction and Improvements - Citywide	2,936
Lake Ray Hubbard Transmission Line	2,740
Rowlett Creek WWTP Replacement/Modifications	2,420
Nevil Road Switch Station	2,360
Citywide Infiltration Correction	2,333
Citywide Collection Mains	2,295
McCree Substation Autotransformer	1,937
Transmission Mains - 16 inch and above	1,900
Parks Trail Development Program	1,532
Signal Equipment Modernizations	1,479
Naaman School Road - Brand to SH 78	1,433
Rowlett Creek WWTP Processes Improvements	1,417
Duck Creek WWTP Replacement/Modifications	1,402
Distribution Lines - Up to 14 inch	1,401
Olinger-Wyile East Circuit	1,365
Parks Playground Improvement Program	1,364
Rowlett Interceptor Mains	1,132
Citywide Sewer Collection Main Manholes	1,065
Walnut Street Pedestrian Corridor	1,025

Additional information on the City's capital assets can be found in note IV.C on pages 57-59 of this report.

Debt

Debt issues outstanding for the fiscal years 2020 and 2019 were as follows:

	Governmental Activities		Business-type Activities		Total		
	2020	2019	2020	2019	2020	2019	Change
Long-Term:							
General obligation bonds	$ 152,295,000	$ 150,670,000	$ 3,680,000	$ 10,430,000	$ 155,975,000	$ 161,100,000	$ (5,125,000)
Certificates of obligation	103,080,000	98,660,000	10,980,000	141,425,000	114,060,000	240,085,000	(126,025,000)
Utility system revenue bonds	-	-	682,665,000	519,265,000	682,665,000	519,265,000	163,400,000
Commercial paper	-	-	83,235,000	100,500,000	83,235,000	100,500,000	(17,265,000)
Total Long-Term	255,375,000	249,330,000	780,560,000	771,620,000	1,035,935,000	1,020,950,000	14,985,000
Short-Term:							
Commercial Paper	12,500,000	23,500,000	-	-	12,500,000	23,500,000	(11,000,000)
Tax Note	24,860,000	22,280,000	-	-	24,860,000	22,280,000	2,580,000
Total Short-Term	37,360,000	45,780,000	-	-	37,360,000	45,780,000	(8,420,000)
Total outstanding debt	$ 292,735,000	$ 295,110,000	$ 780,560,000	$ 771,620,000	$ 1,073,295,000	$ 1,066,730,000	$ 6,565,000

During the fiscal year, the City issued the following debt:

Issue	Principal	Bond Ratings: Standard & Poor's	Bond Ratings: Fitch IBCA
Long-term			
Certificates of Obligation Bonds, Series 2020	$ 16,510,000	AA+	AAA
General Obligation Refunding Bonds, Series 2019	22,390,000	AA+	AAA
Electric Utility System Revenue Refunding Bonds, New Series 2019A	140,790,000	A+	AA-
Water and Sewer System Revenue Refunding Bonds, New Series 2019A	50,865,000	AA-	AA
Electric Utility System Revenue Bonds, New Series 2020	34,145,000		
Short-term			
Tax Anticipation Note, Series 2020	24,860,000		
Total debt financing	$289,560,000		

The proceeds of the Certificates of Obligation Bonds, Series 2020 will be used for the following:

- Constructing, equipping, and improving various facilities in the City,
- Acquiring equipment and vehicles for public safety, the environmental waste services department, the stormwater management department, and the municipal street department,
- Acquiring land for environmental waste services facilities,
- Street improvements and infrastructure improvements.

The proceeds of the General Obligation Bonds, Series 2019 were used to refund Certificates of Obligation Bonds, Series 2010 at the call date and to takeout $23,500,000 of commercial paper debt, Series 2015.

The proceeds of the Electric Utility System Revenue Refunding Bonds, New Series 2019A were used to refund Certificates of Obligation Bonds, Series 2010 and Electric Utility System Revenue Bonds, Series 2011A at the call date and takeout $41,305,000 of commercial paper debt, Series 2018.

The proceeds of the Water and Sewer System Revenue Refunding Bonds, New Series 2019A were used to refund Water & Sewer Revenue Bonds, Series 2010 and Water & Sewer Revenue Bonds, Series 2011A at the call date and takeout $32,500,000 of commercial paper debt, Series 2015.

The proceeds of the Electric Utility System Revenue Bonds, New Series 2020 were used to takeout $39,460,000 of commercial paper debt, Series 2018.

In fiscal year 2010, the City along with other TMPA member cities elected to issue bonds based on the percentage of their annual net energy load and placed the proceeds with TMPA. Since the proceeds from the issuance of this debt will benefit the City over future years the City has elected to record an other asset and a corresponding bonds payable liability, reoffering premium, interest and sinking fund deposit, underwriters discount and issuance cost to record this transaction. The other asset of $138,252,850 is being amortized using a straight-line method over a period of 20 years based on the life of the economic benefit that the City is receiving from this transaction. During the current fiscal year, the City amortized $6,912,643 of the asset resulting in a fiscal year-end balance in other assets of $65,670,103. In September, 2018, the generation portion of the TMPA other asset became impaired and was recorded as a GASB 62 Regulatory Asset in Other Assets to be amortized through FY2030. On June 28, 2019, ERCOT was notified of the plan to move TMPA's generation plant, Gibbons Creek, to a status of decommissioned and retired. The official effective date was October 23, 2019. Further information related to the asset impairment and decommissioning liability is available on pages 85-87.

In 2015, the City elected to issue Combination Tax & Electric Utility System Surplus Revenue Refunding Bonds for the purpose of prepaying certain contractual obligations to TMPA. Since the proceeds of this debt issuance were placed with an escrow agent and the City received an economic benefit over a period of years, an Other Assets was recorded in the Electric Fund Statement of Net Position in the amount of $59,270,000. The Other Asset was fully amortized at fiscal year-end 2017.

Additional information on the City's debt can be found in note IV.E of this report.

The City's Funds

At the close of the City's fiscal year, the governmental funds of the City reported a combined fund balance of $123,588,551, an increase of $22,921,768 from the prior fiscal year.

The General Fund ended the fiscal year with a fund balance of $52,655,461 which was an increase of $16,833,958 from the prior fiscal year. The original budget projected a decrease in fund balance of $3,778,847 which was later revised to a decrease of $11, 238,506 in fund balance to fund one-time capital and operating needs. Favorable budget variances were experienced for revenues as well as expenditures for the fiscal year. Actual revenues exceeded final budgeted revenues by $11,148,484 due primarily to the receipt of Coronavirus Relief Funds. Actual expenditures were under the final budget amount by $15,002,912. However, $12,496,333 of this positive budget variance is related to council approved street and infrastructure projects and other encumbrances related to unperformed contracts for goods and services (i.e. purchase orders). A budget amendment has been approved by City Council to roll the funding for these projects and encumbrances in the FY21 budget year. The remaining favorable budget variance was a result of better than anticipated services charges and other operational expenditure savings across General Fund departments.

General Fund Budgetary Highlights

During the fiscal year ended September 30, 2020, the City Council amended the budget for the General Fund on multiple occasions. The amendments were comprised of supplemental appropriations and adjusted budgets. Appropriations are adjusted annually for open purchase orders and various grant awards. Budgets are reviewed and adjusted during the fiscal year to address changing operational and/or economic situations. These amendments amounted to decreased appropriations of $1,036,070.

Economic Factors and Next Year's Budgets and Rates

The City's unemployment rate at September 30, 2020 was 7.4% and the State of Texas unemployment rate was 8.3%. The City's estimated population of 242,914 (as estimated at January 1, 2020 by the City's Planning department) remained virtually unchanged from the prior year.

The budget goals for FY 2019-20 are primarily financial in nature and are designed to place the City's budget in a better position with respect to navigating post-legislative restrictions and coping with slowing local development. Legislative changes placed constraints which will limit growth in property tax revenues and reduced franchise tax revenues. Budget assumptions reflect flattening growth rates and declines in revenue generated from building activity that have been at elevated levels over the past three years.

The FY 2019-20 budget was developed keeping these factors in mind and the priorities include:

- Ensure debt service funding to implement the 2019 bond program.
- Recognize the budget impact of growing civil service retirement payouts.
- Provide necessary funding for public safety overtime needs.
- Supplement general fund revenues to help compensate for legislative actions.
- Establish reserves above the 30-day minimum in the general fund.

The budget priorities for FY2020-21 are primarily focused on weathering the financial impacts of the pandemic and realigning resources to meet high priority needs.

These priorities include:

- Maintain current City service levels.
- Provide resources to maintain implementation of the 2019 bond program.
- Address the need for additional 911 dispatchers.
- Maintain a high level of excess reserves for future needs.

In May 2019, Garland voters approved a $423.7 million bond program with a projected impact of 6.5 cents, assuming a seven to ten-year implementation. The FY2019-20 adopted budget includes a 6.5 cent increase to the debt service property tax rate. The increase in the debt service tax rate will establish the debt service capacity to implement and complete the 2019 and remaining 2004 bond program projects on schedule which providing routine tax-supported capital programs for facilities and equipment.

Contacting the City's Financial Management

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Financial Services Department at the City of Garland, 200 North Fifth Street, Garland, TX 75040 or through the City's internet site www.garlandtx.gov.

GARLAND

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City of Garland, Texas
Statement of Net Position
September 30, 2020

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	As of December 31, 2019
ASSETS				
Cash and cash equivalents	$ 148,216,132	$ 78,795,834	$ 227,011,966	$ 1,094,108
Investments	76,020,177	43,502,155	119,522,332	-
Accounts Receivable, net of allowance for uncollectibles	19,584,950	82,480,536	102,065,486	1,251,632
Due from other governments	305,787	-	305,787	-
Internal Balances	(19,050,847)	19,050,847	-	-
Inventories	6,628,157	5,898,445	12,526,602	-
Prepaid and other items	2,216	1,188,769	1,190,985	-
Restricted Assets:				
Cash and cash equivalents	2,573,692	82,458,317	85,032,009	-
Investments	598,824	132,840,355	133,439,179	-
Accrued interest	220	588,099	588,319	-
Deferred bond issuance costs	-	-	-	-
Assets held for resale	763,846	-	763,846	502,499
Other Assets	-	110,367,047	110,367,047	-
Derivative instrument-energy risk management	-	13,840	13,840	-
Note Receivable	-	159,238	159,238	-
Capital Assets:				
Land	109,962,066	45,888,564	155,850,630	9,084,059
Construction in Progress	75,230,029	67,856,141	143,086,170	-
Buildings, Improvements, Equipment and System (net of accumulated depreciation)	333,213,355	1,063,429,163	1,396,642,518	-
Total assets	754,048,604	1,734,517,350	2,488,565,954	11,932,298
DEFERRED OUTFLOWS OF RESOURCES				
Fair value of energy risk derivatives	-	18,838	18,838	-
Deferred charges on debt refunding	105,436	401,287	506,723	-
Deferred charges on pensions	13,998,803	5,227,910	19,226,713	-
Deferred charges on OPEB	12,362,281	4,327,194	16,689,475	-
Deferred charges on ARO	-	396,941	396,941	-
Total deferred outflows of resources	26,466,520	10,372,170	36,838,690	-
LIABILITIES				
Accounts payable and accrued liabilities	23,527,092	32,531,384	56,058,476	-
Escrow payable	468,846	233,568	702,414	-
Retainage payable	1,432,368	1,238,249	2,670,617	-
Accrued interest payable	1,503,429	3,025,826	4,529,255	-
Customer deposits	17,646,791	458,000	18,104,791	-
Tax Note Payable	24,860,000	-	24,860,000	-
Commercial Paper	12,500,000	-	12,500,000	-
Derivative instrument-energy risk management	-	32,679	32,679	-
Unearned revenue	9,234,745	791,901	10,026,646	6,343,147
Noncurrent Liabilities:				
Due within one year	47,631,132	47,986,280	95,617,412	111,063
Due in more than one year	354,719,305	877,899,114	1,232,618,419	3,785,453
Total liabilities	493,523,708	964,197,001	1,457,720,709	10,239,663
DEFERRED INFLOWS OF RESOURCES				
Deferred charges on debt refunding	385,342	1,862,779	2,248,121	-
Deferred charges on pensions	23,284,601	8,696,519	31,981,120	-
Deferred charges on OPEB	3,664,092	1,282,549	4,946,641	-
Total deferred inflows of resources	27,334,035	11,841,847	39,175,882	-
NET POSITION				
Net investment in capital assets	237,358,502	430,385,905	667,744,407	1,141,255
Restricted for:				
Debt Service	5,720,083	8,065,723	13,785,806	-
Construction	2,072,994	-	2,072,994	-
Rate Mitigation	-	192,192,288	192,192,288	-
Housing	3,943,520	-	3,943,520	-
Other Grant Programs	4,710,897	-	4,710,897	-
Unrestricted net position	5,851,385	138,206,756	144,058,141	551,380
Total net position	$ 259,657,381	$ 768,850,672	$ 1,028,508,053	$ 1,692,635

The notes to the financial statements are an integral part of this statement.

City of Garland, Texas
Statement of Activities
For the Year Ended September 30, 2020

Functions/Programs	Expenses	Program Revenues: Charges for services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Primary Government: Governmental Activities	Primary Government: Business-Type Activities	Primary Government: Total	Component Unit as of 12/31/2019
Primary Government								
Governmental activities:								
General government	$ 42,142,722	$ 9,512,403	$ 21,826,426	$ -	$ (10,803,893)	$ -	$ (10,803,893)	$ -
Public safety	120,243,599	16,252,716	9,360,246	-	(94,630,637)	-	(94,630,637)	-
Public works	48,199,894	23,350,575	-	10,947,632	(13,901,687)	-	(13,901,687)	-
Culture and recreation	26,708,528	651,540	3,817	-	(26,053,171)	-	(26,053,171)	-
Public health	5,072,234	442,161	670,635	-	(3,959,438)	-	(3,959,438)	-
Interest and fiscal charges	6,648,006	-	-	-	(6,648,006)	-	(6,648,006)	-
Total governmental activities	249,014,983	50,209,395	31,861,124	10,947,632	(155,996,832)	-	(155,996,832)	-
Business type activities:								
Electric	241,329,104	284,768,630	-	189,014	-	43,628,540	43,628,540	-
Water	67,600,465	79,828,745	-	2,424,466	-	14,652,746	14,652,746	-
Sewer	39,666,456	47,421,755	-	1,457,020	-	9,212,319	9,212,319	-
Golf	4,705,089	3,365,566	-	-	-	(1,339,523)	(1,339,523)	-
Heliport	23,272	7,522	-	-	-	(15,750)	(15,750)	-
Storm Water Management	4,285,236	4,963,130	-	-	-	677,894	677,894	-
Parks Performance	705,424	638,751	-	-	-	(66,673)	(66,673)	-
Sanitation	20,979,102	21,193,039	-	-	-	213,937	213,937	-
Total business-type activities	379,294,148	442,187,138	-	4,070,500	-	66,963,490	66,963,490	-
Total primary government	$ 628,309,131	$ 492,396,533	$ 31,861,124	$ 15,018,132	(155,996,832)	66,963,490	(89,033,342)	-
Component units								
Garland Housing Finance Corp.	$ 413,847	$ 216,591	$ -	$ -				$ (197,256)
	$ 413,847	$ 216,591	$ -	$ -				
General revenues:								
Sales taxes					30,527,171	-	30,527,171	-
Franchise fees based on gross receipts					7,003,961	-	7,003,961	-
Property taxes					124,854,949	-	124,854,949	-
Hotel/Motel taxes					1,250,293	-	1,250,293	-
Mixed drink taxes					327,410	-	327,410	-
Bingo taxes					128,102	-	128,102	-
Unrestricted investment earnings					3,720,948	6,819,640	10,540,588	43,584
Miscellaneous					129,546	12,185,399	12,314,945	130,851
Transfers					38,173,776	(38,173,776)	-	-
Total general revenues and transfers					206,116,156	(19,168,737)	186,947,419	174,435
Change in net position					50,119,324	47,794,753	97,914,077	(22,821)
Net position - beginning					209,538,057	721,055,919	930,593,976	1,715,456
Net position-ending					$ 259,657,381	$ 768,850,672	$ 1,028,508,053	$ 1,692,635

The notes to the financial statements are an integral part of this statement.

City of Garland, Texas
Governmental Funds
Balance Sheet
September 30, 2020

	General	Debt Service	Capital Projects	Other Nonmajor Governmental Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalents	$ 37,371,973	$ 6,663,889	$ 58,478,692	$ 12,530,044	$ 115,044,598
Investments	18,566,316	-	31,491,644	7,112,215	57,170,175
Receivables:					
Accounts, net	12,707,665	-	-	3,775,533	16,483,198
Taxes, net	587,792	560,342	-	-	1,148,134
Accrued interest	108,995	-	155,325	36,115	300,435
Assessments	16,032	-	-	-	16,032
Other	-	-	531,317	-	531,317
Due from other funds	2,347,778	-	-	-	2,347,778
Due from other governments	24,644	-	-	281,143	305,787
Prepaid items	2,216	-	-	-	2,216
Assets held for resale	-	-	-	763,846	763,846
Total Current Assets	71,733,411	7,224,231	90,656,978	24,498,896	194,113,516
Restricted assets:					
Cash and cash equivalents	-	-	-	2,497,467	2,497,467
	-	-	-	543,329	543,329
Total Restricted Assets	-	-	-	3,040,796	3,040,796
Total Assets	$ 71,733,411	$ 7,224,231	$ 90,656,978	$ 27,539,692	$ 197,154,312
LIABILITIES					
Accounts payable and accrued liabilities	$ 13,143,732	$ 719	$ 4,630,410	$ 716,573	$ 18,491,434
Accrued interest-CO's	-	-	-	6,159	6,159
Escrow payable	-	-	28,762	440,084	468,846
Due to other funds	-	-	284,887	71,885	356,772
Unearned revenues	198,359	-	3,803,455	5,232,929	9,234,743
Retainage payable	60,890	-	1,371,478	-	1,432,368
Tax note payable	-	-	24,860,000	-	24,860,000
Commercial paper	-	-	12,500,000	-	12,500,000
Total Liabilities	13,402,981	719	47,478,992	6,467,630	67,350,322
DEFERRED INFLOWS OF RESOURCES	5,674,969	499,204	-	41,266	6,215,439
FUND BALANCES					
Fund balances:					
Nonspendable	2,216	-	-	-	2,216
Restricted	2,072,994	6,724,308	35,317,431	8,658,630	52,773,363
Committed	13,340,757	-	-	12,382,296	25,723,053
Assigned	14,067,692	-	7,860,555	-	21,928,247
Unassigned	23,171,802	-	-	(10,130)	23,161,672
Total Fund Balances	52,655,461	6,724,308	43,177,986	21,030,796	123,588,551
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 71,733,411	$ 7,224,231	$ 90,656,978	$ 27,539,692	$ 197,154,312

The notes to the financial statements are an integral part of this statement.

City of Garland, Texas
Governmental Funds
Reconciliation of the Balance Sheet to the Statement of Net Position
September 30, 2020

Total fund balances - governmental funds	$	123,588,551
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		457,922,110
Certain receivables will be collected this year, but are not available soon enough to pay for the current period's expenditures and are, therefore, deferred in the funds.		6,215,439
Deferred outflows related to pensions.		12,163,957
Deferred outflows related to OPEB.		10,345,570
Bond interest is not accrued at the fund level.		(1,375,216)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds. Long-term liabilities consist of:		
Bonds payable		(236,340,000)
Landfill closure costs		(15,741,717)
Compensated absences		(24,416,944)
Unamortized premium on refunding		(17,054,746)
Other Post Employment Benefits liability payable		(53,087,383)
Deferred loss on debt refunding		76,826
Deferred gain on debt refunding		(358,711)
Net pension liability		(10,104,284)
Deferred inflows related to pensions		(20,232,779)
Deferred inflows related to OPEB.		(3,066,352)
Internal service funds net position adjustment excluding assets and liabilities included in the adjustments listed above. Internal service funds are used by management to charge the costs of various services to individual funds. Certain assets and liabilities of the internal service funds are included with governmental activities in the statement of net position.		31,123,060
Total net position - governmental activities	$	259,657,381

The notes to the financial statements are an integral part of this statement.

City of Garland, Texas
Governmental Funds
Statement of Revenues, Expenditures and Changes in Fund Balance
For the Year Ended September 30, 2020

	General	Debt Service	Capital Projects	Other Nonmajor Governmental Funds	Total Governmental Funds
REVENUES					
Taxes	$ 93,953,402	$ 60,043,798	$ -	$ 2,947,379	$ 156,944,579
Franchise fees	7,003,961	-	-	-	7,003,961
Service charges	30,165,738	-	-	-	30,165,738
Licenses and permits	4,586,832	-	-	-	4,586,832
Earnings on investments	1,201,867	158,630	1,143,792	327,976	2,832,265
Intergovernmental	9,371,985	-	763,852	22,230,913	32,366,750
Charges for services	10,334,101	-	-	-	10,334,101
Fines and forfeits	3,362,932	-	-	-	3,362,932
Rents and concessions	499,969	-	-	-	499,969
Assessments	-	-	28,168	-	28,168
Impact fees	-	-	-	2,305,938	2,305,938
Program income	-	-	-	764,150	764,150
Court awarded seizures	-	-	-	101,224	101,224
Miscellaneous and other	-	-	4,923,977	286,548	5,210,525
Total revenues	160,480,787	60,202,428	6,859,789	28,964,128	256,507,132
EXPENDITURES					
Current:					
General government	12,022,287	-	621,628	-	12,643,915
Public safety	102,099,911	-	-	-	102,099,911
Public works	19,234,473	-	-	-	19,234,473
Culture and recreation	16,469,559	-	-	-	16,469,559
Public health	4,037,036	-	-	-	4,037,036
Nondepartmental	26,661,783	-	-	-	26,661,783
Operations	-	-	-	23,211,661	23,211,661
Capital outlay	15,731,100	-	51,429,628	330,633	67,491,361
Debt service:					
Principal	-	27,380,490	-	314,510	27,695,000
Interest	-	9,951,173	-	485,632	10,436,805
Issue costs on issuance of debt	-	11,355	-	-	11,355
Other and fiscal expenditures	-	64,468	437,813	-	502,281
Total expenditures	196,256,149	37,407,486	52,489,069	24,342,436	310,495,140
Excess (deficiency) of revenues over (under) expenditures	(35,775,362)	22,794,942	(45,629,280)	4,621,692	(53,988,008)
OTHER FINANCING SOURCES (USES)					
Proceeds from sale of capital assets	103,276	-	50,000	-	153,276
Transfers in	54,900,955	685,440	24,673,428	643,379	80,903,202
Transfers out	(2,394,911)	(22,357,113)	(18,071,593)	(717,253)	(43,540,870)
Issuance of debt	-	-	34,975,000	-	34,975,000
Premium on issuance of debt	-	210,736	4,407,813	-	4,618,549
Issuance of refunding bonds	-	1,170,000	-	-	1,170,000
Payment to refunded bonds escrow agent	-	(1,369,381)	-	-	(1,369,381)
Total other financing sources (uses)	52,609,320	(21,660,318)	46,034,648	(73,874)	76,909,776
Net change in fund balance	16,833,958	1,134,624	405,368	4,547,818	22,921,768
Fund balances - beginning	35,821,503	5,589,684	42,772,618	16,482,978	100,666,783
Fund balances - ending	$ 52,655,461	$ 6,724,308	$ 43,177,986	$ 21,030,796	$ 123,588,551

The notes to the financial statements are an integral part of this statement.

City of Garland, Texas
Governmental Funds
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance to the Statement of Activities
For the Year Ended September 30, 2020

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balances - total governmental funds	$ 22,921,768
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.	45,333,814
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	(2,068,766)
The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	(9,945,824)
Other long-term liabilities related to pension expense and contributions, are not due and payable in the current period and therefore, are not reported in governmental funds.	(4,040,286)
Other Post Employment Benefits liability is accrued in the government wide financial statements but not at the fund level.	(1,290,580)
Interest is accrued in the government wide financial statements but not at the fund level. This represents the change in the accrual during the period.	124,560
Internal service funds are used by management to charge the costs of vehicle services, building services, printing services, and insurance services to individual funds. The net revenue of certain activities of internal service funds is reported with governmental activities.	(915,362)
Net change in net position-total governmental activities	$ 50,119,324

The notes to the financial statements are an integral part of this statement.

City of Garland, Texas
Proprietary Funds
Statement of Net Position
September 30, 2020

	Business-type Activities					Governmental Activities
	Electric	Water	Sewer	Other Nonmajor Enterprise Funds	Total Enterprise Funds	Internal Service Funds
ASSETS						
Current assets:						
Cash and cash equivalents	$ 46,692,003	$ 14,997,223	$ 13,863,532	$ 3,243,076	$ 78,795,834	$ 33,171,534
Investments	26,046,643	7,616,543	7,976,358	1,862,611	43,502,155	18,850,003
Receivable, net of allowance	64,961,576	9,712,234	4,784,666	2,822,763	82,281,239	1,012,952
Accrued interest	117,552	34,433	38,982	8,330	199,297	92,882
Inventories	5,847,312	-	-	51,133	5,898,445	6,628,157
Prepaid expense	1,188,769	-	-	-	1,188,769	-
Total current assets	144,853,855	32,360,433	26,663,538	7,987,913	211,865,739	59,755,528
Noncurrent Assets:						
Restricted assets						
Revenue bond reserve fund:						
Cash and cash equivalents	-	3,505,524	4,560,199	-	8,065,723	-
Total revenue bond reserve fund	-	3,505,524	4,560,199	-	8,065,723	-
Rate mitigation:						
Cash and cash equivalents	60,877,915	-	-	-	60,877,915	-
Investments	130,737,071	-	-	-	130,737,071	-
Accrued interest	577,302	-	-	-	577,302	-
Total rate mitigation	192,192,288	-	-	-	192,192,288	-
Construction funds:						
Cash and cash equivalents	2,699,234	8,187,174	1,732,670	895,601	13,514,679	76,224
Investments	511,682	156,497	932,081	503,024	2,103,284	55,495
Accrued interest	2,595	786	4,973	2,443	10,797	220
Total construction funds	3,213,511	8,344,457	2,669,724	1,401,068	15,628,760	131,939
Other Assets	110,367,047	-	-	-	110,367,047	-
Advance to other funds	3,896,269	-	-	-	3,896,269	-
Derivative instruments - energy risk management	13,840	-	-	-	13,840	-
Note Receivable	159,238	-	-	-	159,238	-
Total other assets	114,436,394	-	-	-	114,436,394	-
Capital Assets:						
Land	30,286,192	1,807,965	2,338,807	11,455,600	45,888,564	358,759
Buildings, improvements, equipment and systems	854,864,557	323,690,764	512,160,390	49,134,035	1,739,849,746	128,406,855
Construction in progress	35,235,204	12,224,653	19,854,401	541,883	67,856,141	12,327,599
Less accumulated depreciation	(241,799,814)	(132,620,495)	(270,959,581)	(31,040,693)	(676,420,583)	(80,609,873)
Net capital assets	678,586,139	205,102,887	263,394,017	30,090,825	1,177,173,868	60,483,340
Total noncurrent assets	988,428,332	216,952,868	270,623,940	31,491,893	1,507,497,033	60,615,279
Total Assets	1,133,282,187	249,313,301	297,287,478	39,479,806	1,719,362,772	120,370,807
Deferred Outflows of Resources						
Deferred charges on debt refundings	123,199	98,883	179,146	59	401,287	28,610
Deferred charges on pensions	3,091,704	555,175	754,732	826,299	5,227,910	1,834,846
Deferred charges on OPEB	1,992,892	516,087	809,860	1,008,355	4,327,194	2,016,711
Deferred charges on derivatives	18,838	-	-	-	18,838	-
Deferred charges on ARO	396,941	-	-	-	396,941	-
Total deferred outflows	5,623,574	1,170,145	1,743,738	1,834,713	10,372,170	3,880,167

The notes to the financial statements are an integral part of this statement.

City of Garland, Texas
Proprietary Funds
Statement of Net Position
September 30, 2020

	Business-type Activities					Governmental Activities
	Electric	Water	Sewer	Other Nonmajor Enterprise Funds	Total Enterprise Funds	Internal Service Funds
LIABILITIES						
Current liabilities:						
Payable from current assets						
Accounts payable and accrued liabilities	$ 18,366,744	$ 3,859,008	$ 830,203	$ 698,805	$ 23,754,760	$ 4,961,397
Due to other funds	-	-	-	196,830	196,830	1,794,176
Insurance claims payable	-	-	-	-	-	5,533,197
Accrued interest payable:						
General obligation bonds	7,826	4,057	11,532	83	23,498	95,437
Certificates of obligation	-	-	-	83,675	83,675	26,617
Revenue bonds	2,174,333	359,099	385,221	-	2,918,653	-
Customer deposits	458,000	-	-	-	458,000	17,646,791
General obligation bonds	1,225,000	410,000	1,355,000	-	2,990,000	1,545,000
Certificates of obligation	-	-	-	3,110,000	3,110,000	320,000
Revenue bonds	22,195,000	7,515,000	9,660,000	-	39,370,000	-
Compensated absences	1,440,244	287,241	424,544	364,251	2,516,280	836,426
Derivative instruments-energy risk management	32,679	-	-	-	32,679	-
Total current liabilities	45,899,826	12,434,405	12,666,500	4,453,644	75,454,375	32,759,041
Long-term liabilities:						
Payable from restricted assets						
Accounts payable	6,093,855	1,046,047	1,636,722	-	8,776,624	74,260
Retainage payable	821,900	154,625	261,724	-	1,238,249	-
Escrow payable	228,123	5,445	-	-	233,568	-
Total payable from restricted assets	7,143,878	1,206,117	1,898,446	-	10,248,441	74,260
Advances from other funds	-	-	-	-	-	3,896,269
Revenue bonds payable (net of unamortized premium)	508,516,992	101,531,718	99,789,084	-	709,837,794	-
Certificates of obligation (net of unamortized premium)	-	-	-	8,667,670	8,667,670	3,914,045
General obligation bonds (net of unamortized premium and defeased bond costs)	14,558	239,201	484,759	16,376	754,894	15,129,844
Commercial paper	67,735,000	7,721,037	7,778,963	-	83,235,000	-
Unearned revenue	-	791,901	-	-	791,901	-
Insurance claims payable	-	-	-	-	-	6,037,333
Asset retirement obligations	487,047	-	-	-	487,047	-
TMPA decommissioning liability	47,004,930	-	-	-	47,004,930	-
Net OPEB liability	10,226,349	2,648,258	4,155,728	5,174,288	22,204,623	10,348,576
Compensated absences	1,017,447	90,630	148,557	105,967	1,362,601	417,153
Net pension liability	2,568,399	461,609	627,724	686,823	4,344,555	1,523,789
Total other liabilities	637,570,722	113,484,354	112,984,815	14,651,124	878,691,015	41,267,009
Total non-current liabilities	644,714,600	114,690,471	114,883,261	14,651,124	888,939,456	41,341,269
Total Liabilities	690,614,426	127,124,876	127,549,761	19,104,768	964,393,831	74,100,310
Deferred Inflows of Resources						
Deferred charges on debt refundings	1,640,331	60,613	161,835	-	1,862,779	26,631
Deferred charges on pensions	5,142,629	923,617	1,255,686	1,374,587	8,696,519	3,051,822
Deferred charges on OPEB	590,678	152,965	240,037	298,869	1,282,549	597,740
Total deferred inflows of resources	7,373,638	1,137,195	1,657,558	1,673,456	11,841,847	3,676,193
NET POSITION						
Net investment in capital assets	170,705,213	94,867,986	145,114,800	19,697,906	430,385,905	39,634,109
Restricted for:						
Debt service	-	3,505,524	4,560,199	-	8,065,723	-
Rate mitigation	192,192,288	-	-	-	192,192,288	-
Unrestricted	78,020,196	23,847,865	20,148,898	838,389	122,855,348	6,840,362
Total net position	$ 440,917,697	$ 122,221,375	$ 169,823,897	$ 20,536,295	753,499,264	$ 46,474,471
Some amounts reported for business-type activities in the Statement of Net Position are different because certain internal service fund assets and liabilities are included with business-type activities.					15,351,408	
Net position of business type activities					$ 768,850,672	

The notes to the financial statements are an integral part of this statement.

City of Garland, Texas
Proprietary Funds
Statement of Revenues, Expenses, and Changes in Fund Net Position
For the Year Ended September 30, 2020

	Business-type Activities					Governmental Activities
	Electric	Water	Sewer	Other Nonmajor Enterprise Funds	Total Enterprise Funds	Internal Service Funds
OPERATING REVENUES:						
Charges for services	$ 284,768,630	$ 79,828,745	$ 47,421,755	$ 30,168,008	$ 442,187,138	$ 55,032,073
Insurance premiums	-	-	-	-	-	36,538,374
Other	13,650,941	390,132	105,920	118,949	14,265,942	2,079,681
Total Operating Revenues	298,419,571	80,218,877	47,527,675	30,286,957	456,453,080	93,650,128
OPERATING EXPENSES:						
Salaries and benefits	25,670,694	5,501,806	9,707,185	11,204,871	52,084,556	23,469,068
TMPA decommissioning expense	3,400,194	-	-	-	3,400,194	-
Amortization of other assets	14,878,048	-	-	-	14,878,048	-
Energy and fuel purchases	126,604,267	-	-	-	126,604,267	-
Water purchases	-	40,180,065	-	-	40,180,065	-
Landfill fees	-	-	-	3,658,841	3,658,841	-
Maintenance, repairs, and other	14,374,646	4,809,825	7,845,574	7,682,768	34,712,813	22,403,867
Insurance and other expenses	3,921,446	426,189	713,454	675,083	5,736,172	-
General and administrative	14,096,856	4,657,638	4,597,912	2,357,014	25,709,420	7,109,464
Capitalized general and administrative	-	(174,673)	(347,924)	-	(522,597)	-
Premiums	-	-	-	-	-	8,765,574
Claims	607,179	154,380	243,885	284,361	1,289,805	26,717,507
Administrative services	-	-	-	-	-	611,188
Depreciation	19,804,673	8,533,431	12,427,582	4,618,179	45,383,865	9,092,808
Total Operating Expenses	223,358,003	64,088,661	35,187,668	30,481,117	353,115,449	98,169,476
Total Operating Income (Loss)	$ 75,061,568	$ 16,130,216	$ 12,340,007	$ (194,160)	$ 103,337,631	$ (4,519,348)
NONOPERATING REVENUES (EXPENSES)						
Intergovernmental	$ -	$ 183,136	$ -	$ -	$ 183,136	$ -
Gain (loss) on disposal of capital assets	(3,249,158)	(2,953)	(1,341,334)	151,959	(4,441,486)	473,123
Other	(2,080,543)	-	-	-	(2,080,543)	-
Investment income	5,774,137	459,055	491,201	95,247	6,819,640	888,683
Interest expense	(13,523,088)	(3,163,031)	(2,942,632)	(210,873)	(19,839,624)	(466,853)
Income (loss) before transfers and contributions	61,982,916	13,606,423	8,547,242	(157,827)	83,978,754	(3,624,395)
Capital contributions	189,014	2,241,330	1,457,020	-	3,887,364	-
TRANSFERS						
Transfers in	7,977	118,025	-	-	126,002	888,379
Transfers out	(22,453,968)	(7,758,935)	(6,701,940)	(1,384,935)	(38,299,778)	(76,935)
Net transfers	(22,445,991)	(7,640,910)	(6,701,940)	(1,384,935)	(38,173,776)	811,444
NET INCOME (LOSS)	39,725,939	8,206,843	3,302,322	(1,542,762)	49,692,342	(2,812,951)
Net position, beginning of year	401,191,758	114,014,532	166,521,575	22,079,057	703,806,922	49,287,422
Net position, end of year	$ 440,917,697	$ 122,221,375	$ 169,823,897	$ 20,536,295	753,499,264	$ 46,474,471
	Some amounts reported for business-type activities in the Statement of Activities are different because the net revenue of certain internal service funds is reported with business type activities				(1,897,589)	
	Change in net position of business-type activities				$ 47,794,753	

The notes to the financial statements are an integral part of this statement.

City of Garland, Texas
Proprietary Funds
Statement of Cash Flows
For the Year Ended September 30, 2020

	Business-type Activities					Governmental Activities
	Electric	Water	Sewer	Other Nonmajor Enterprise Funds	Total Enterprise Funds	Internal Service Funds
Cash flows from operating activities:						
Cash received from customers	$ 305,375,045	$ 80,990,085	$ 48,067,172	$ 29,948,345	$ 464,380,647	$ 92,040,506
Cash received for customer deposit	87,413	-	-	-	87,413	814,156
Cash paid to suppliers	(176,611,328)	(50,316,096)	(13,323,083)	(14,142,616)	(254,393,123)	(65,589,138)
Cash paid to employees for services	(24,241,829)	(5,244,953)	(9,408,734)	(10,843,142)	(49,738,658)	(22,747,603)
Other operating revenues	13,650,941	390,132	105,920	118,949	14,265,942	2,079,681
Net cash provided by operations	118,260,242	25,819,168	25,441,275	5,081,536	174,602,221	6,597,602
Cash flows from noncapital financing activities:						
Due to other funds increase	-	-	-	196,830	196,830	84,913
Due from other governments increase	2,640	-	-	-	2,640	-
Transfers in	7,977	118,025	-	-	126,002	888,379
Transfers out	(22,453,968)	(7,758,935)	(6,701,940)	(1,384,935)	(38,299,778)	(76,935)
Net cash provided by (used for) noncapital financing activities	(22,443,351)	(7,640,910)	(6,701,940)	(1,188,105)	(37,974,306)	896,357
Cash flows from capital and related financing activities:						
Proceeds from sales of:						
Certificates of obligation	-	-	-	2,095,000	2,095,000	660,000
Revenue bonds	70,910,000	11,410,000	18,270,000	-	100,590,000	-
Refunding bonds	104,025,000	6,040,000	15,145,000	-	125,210,000	-
Premium on issuance of debt	29,790,141	2,270,479	4,063,002	251,527	36,375,149	145,989
Commercial paper	80,500,000	7,721,037	7,778,963	-	96,000,000	-
Acquisition and construction of capital assets	(92,437,804)	(12,105,777)	(15,547,311)	(2,238,045)	(122,328,937)	(10,338,923)
Principal paid on:						
Revenue bonds	(14,195,000)	(7,215,000)	(9,275,000)	-	(30,685,000)	-
Certificates of obligation	(15,545,000)	-	-	(3,045,000)	(18,590,000)	(250,000)
General obligation bonds	(4,595,000)	(410,000)	(1,745,000)	-	(6,750,000)	(1,470,000)
Payment to escrow agent	(124,122,468)	(7,204,396)	(17,477,425)	-	(148,804,289)	-
Commercial paper	(80,765,000)	(12,500,000)	(20,000,000)	-	(113,265,000)	-
Interest paid on:						
Revenue bonds	(19,791,093)	(4,348,742)	(4,666,988)	-	(28,806,823)	-
Certificates of obligation	(1,857,896)	-	-	(510,049)	(2,367,945)	(144,605)
General obligation bonds	(176,125)	(41,999)	(133,875)	(650)	(352,649)	(782,901)
Commercial paper	(939,928)	(203,538)	(229,844)	-	(1,373,310)	-
Bond issue expense	1,563,653	91,127	221,069	-	1,875,849	-
Contributions	-	112,914	70,941	-	183,855	-
Proceeds from sales of assets	299,274	3,950	(1,341,334)	153,965	(884,145)	494,546
Net cash used for capital and related financing activities	(67,337,246)	(16,379,945)	(24,867,802)	(3,293,252)	(111,878,245)	(11,685,894)

The notes to the financial statements are an integral part of this statement.

City of Garland, Texas
Proprietary Funds
Statement of Cash Flows
For the Year Ended September 30, 2020

	Business-type Activities					Governmental Activities
	Electric	Water	Sewer	Other Nonmajor Enterprise Funds	Total Enterprise Funds	Internal Service Funds
Cash flows from investing activities:						
Purchase of investment securities	(75,531,132)	(3,835,420)	(3,338,648)	(1,417,124)	(84,122,324)	(7,639,234)
Proceeds from sale and maturities of investment securities	57,360,059	5,195,040	7,565,280	2,033,547	72,153,926	16,939,098
Interest received on investments	5,812,606	463,148	506,781	97,690	6,880,225	928,665
Net cash provided by (used for) investing activities	(12,358,467)	1,822,768	4,733,413	714,113	(5,088,173)	10,228,529
Net increase (decrease) in cash and cash equivalents	16,121,178	3,621,081	(1,395,054)	1,314,292	19,661,497	6,036,594
Cash and cash equivalents at beginning of the year	94,147,974	23,068,840	21,551,455	2,824,385	141,592,654	27,211,164
Cash and cash equivalents at end of the year	$ 110,269,152	$ 26,689,921	$ 20,156,401	$ 4,138,677	$ 161,254,151	$ 33,247,758
Reconciliation to Statement of Net Position						
Cash and cash equivalents	$ 46,692,003	$ 14,997,223	$ 13,863,532	$ 3,243,076	$ 78,795,834	$ 33,171,534
Revenue bond cash and cash equivalents	-	3,505,524	4,560,199	-	8,065,723	-
Rate mitigation cash and cash equivalents	60,877,915	-	-	-	60,877,915	-
Construction fund cash and cash equivalents	2,699,234	8,187,174	1,732,670	895,601	13,514,679	76,224
Total cash and cash equivalents	$ 110,269,152	$ 26,689,921	$ 20,156,401	$ 4,138,677	$ 161,254,151	$ 33,247,758
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities						
Operating income (loss)	$ 75,061,568	$ 16,130,216	$ 12,340,007	$ (194,160)	$ 103,337,631	$ (4,519,348)
Adjustments:						
Depreciation expense	19,804,673	8,533,431	12,427,582	4,618,179	45,383,865	9,092,808
Amortization of other assets	14,878,050	-	-	-	14,878,050	-
Change in allowance for uncollectible accounts	(111,773)	(15,851)	1,213	2,539	(123,872)	-
Change in assets and liabilities						
Decrease in pension related deferred outflows	7,752,746	1,393,935	1,895,824	2,073,720	13,116,225	4,598,895
Increase in OPEB related deferred outflows	(817,680)	(211,749)	(332,284)	(413,725)	(1,775,438)	(827,483)
(Increase) decrease in accounts receivable	20,597,759	1,177,191	644,204	(222,202)	22,196,952	470,058
Decrease in notes receivable	120,429	-	-	-	120,429	-
(Increase) decrease in inventory	(264,302)	-	-	19,477	(244,825)	(552,951)
Increase in other assets	(1,011,225)	-	-	-	(1,011,225)	-
Decrease in net pension liability	(11,557,558)	(2,077,198)	(2,824,702)	(3,090,642)	(19,550,100)	(6,856,910)
Decrease in TMPA decommissioning liability	(4,152,125)	-	-	-	(4,152,125)	-
Decrease in other prepaid expense	103,577	1,298	-	372,340	477,215	8,539
Increase (decrease) in accounts payable	(8,500,740)	(332,197)	(371,211)	(2,155)	(9,206,303)	739,579
Increase in escrow payable	-	3,845	-	-	3,845	-
Increase in compensated absences	371,335	72,275	47,450	87,097	578,157	260,763
Increase in customer deposits	87,413	-	-	-	87,413	814,156
Increase in OPEB liability	1,137,916	294,680	462,421	575,758	2,470,775	1,151,518
Decrease in insurance claims payable	-	-	-	-	-	(576,881)
Increase in pension related deferred inflows	4,831,809	867,841	1,179,879	1,291,553	8,171,082	2,867,314
Decrease in OPEB related deferred inflows	(71,630)	(18,549)	(29,108)	(36,243)	(155,530)	(72,455)
Total adjustments	43,198,674	9,688,952	13,101,268	5,275,696	71,264,590	11,116,950
Net cash provided by operating activities	$ 118,260,242	$ 25,819,168	$ 25,441,275	$ 5,081,536	$ 174,602,221	$ 6,597,602
Noncash investing, capital and financing activities:						
Contributions from developers	189,014	2,128,416	1,386,079	-	3,703,509	-
Increase in fair market value of investments	1,540,253	66,856	76,535	20,432	1,704,076	162,424
Change in restricted accounts payable	(3,810,972)	458,843	654,816	-	(2,697,313)	(106,513)

The notes to the financial statements are an integral part of this statement.

City of Garland, Texas
Statement of Fiduciary Net Position
Fiduciary Funds
September 30, 2020

	Other Post Employment Benefits Trust Fund
Assets	
Investments:	
Equity mutual funds	$ 4,792,971
Fixed income mutual funds	4,552,521
Money market fund	83,921
Total investments	9,429,413
Total assets	$ 9,429,413
Net Position	
Held in trust for other post employment benefits and other purposes	9,429,413
Total net position	$ 9,429,413

The notes to the financial statements are an integral part of this statement.

City of Garland, Texas
Fiduciary Funds
Statement of Changes in Fiduciary Net Position
For the Year Ended September 30, 2020

	Other Post Employment Benefits Trust Fund
Additions	
Earnings from investments	$ 685,527
Employer contributions	6,664,631
Total additions	7,350,158
Deductions	
Administrative expenses	49,792
Payments to beneficiaries	5,244,631
Total deductions	5,294,423
Change in net position	2,055,735
Net position, beginning of year	7,373,678
Net position, end of year	$ 9,429,413

The notes to the financial statements are an integral part of this statement.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The City is a municipal corporation governed by an elected mayor and eight-member council. The accompanying financial statements present the City and its component units, entities for which the City is considered to be financially accountable.

Discretely Presented Component Unit
The Garland Housing Finance Corporation (GHFC) was organized to finance the cost of residential ownership and development that will provide decent, safe and sanitary housing for residents of the City at affordable prices. GHFC is governed by a board of directors that are appointed by and serve at the discretion of the City Council. GHFC is reported as a proprietary entity and maintains their accounts on an accrual basis of accounting. On October 1, 2012, GHFC hired an outside accounting firm to conduct their bookkeeping and accounting. The financial information for GHFC is included in the statements for the period of January 1, 2019 through December 31, 2019. Complete separate December 31, 2019 financial statements for GHFC may be obtained from the City.

Blended Component Unit
The Garland Foundation for Development (GFFD) was organized to promote economic development within the City of Garland. The City Council serves as the board members for GFFD and the Assistant City Manager is the Executive Director. GFFD is reported as a blended component unit of the non-major governmental funds.

In 2018, the City of Garland created the Garland Public Facility Corporation (GPFC) as a public facility corporation under Chapter 303 of the Texas Local Development Code. The GPFC was organized exclusively for the purpose of assisting the City in financing, refinancing, or providing public facilities. The Mayor and City Council serves as the board members of the GPFC. GPFC is reported as a blended component unit of the non-major governmental funds.

B. Government-wide and fund financial statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual proprietary funds are reported as separate columns in the fund financial statements.

C. Measurement focus, basis of accounting, and financial statement presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers sales tax revenue to be available if they are collected within 30 days of the end of the current fiscal period and all other revenues available if they are collected within 60 days of the end of the annual fiscal year. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, actuarially determined pension and OPEB expenses, and claims and judgments, are recorded only when payment is due. Grant revenues are recognized as revenues when all eligibility requirements are met.

Property taxes, franchise fees, licenses, mowing liens, sales taxes, EMS fees, court fines, and earnings on investments associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period to the extent they are available as defined above. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when the City receives cash.

The City reports the following major governmental funds:

The General Fund is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The Debt Service Fund accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds.

The Capital Projects Fund accounts for the financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds).

The City reports the following major proprietary funds:

The Electric Fund accounts for the resources and expenses associated with the administration, operation, maintenance, new construction, financing and related debt service to provide electric service for the residents of the City.

The Water Fund accounts for the resources and expenses associated with the administration, operation, maintenance, new construction, financing and related debt service to provide water service for the residents of the City.

The Sewer Fund accounts for the resources and expenses associated with the administration, operation, maintenance, new construction, financing and related debt service to provide wastewater treatment service for the residents of the City.

Additionally, the City reports the following fund categories:

Special revenue funds account for the proceeds of specific revenue sources that are restricted to expenditures for specific purposes. These specific revenue sources are Community Development Block Grants, Housing Assistance Grants, Neighborhood Services Grants and Funding, Hotel/Motel Tax, Impact Fees, Landfill Closure Funding, Police Training, Substandard Perimeter Road Funding, Narcotic Seizure Funding, Tax Increment Finance funds, CARES Act funds, and GFFD.

The City's nonmajor enterprise funds account for operations that are financed and operated in a manner similar to private business enterprises – where the intent of the City is that costs of providing goods and services to the general public on a continuing basis will be financed or recovered through user charges. These funds are the Golf Fund, the Heliport Fund, the Storm Water Management Fund, the Parks Performance Fund, and the Sanitation Fund.

Internal service funds account for group health, self-insurance, long-term disability, fleet services, vehicle replacement, information technology, facilities management, warehouse, and customer services to other departments of the City on a cost reimbursement basis.

The Other Post-Employment Benefits trust fund accounts for the activities of the trust fund which accumulates resources for OPEB related benefits, and is excluded from the government-wide financial statements.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the City's electric, water, sewer, sanitation, and various other functions of the City. Eliminations of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The City also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the water and sewer systems. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

D. Assets, liabilities, and net position or equity

1. Deposits and investments

The City's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

State statutes and the City Council approved investment policy authorize the City to invest in obligations of the Agencies and Instrumentalities of the U.S. Treasury, commercial paper, FDIC insured Certificates of Deposit, repurchase agreements, reverse repurchase agreements, SEC registered no-load money market mutual funds, and investment pools.

The deposits and investments of the OPEB trust fund are held separately from those of other City funds by an outside trustee appointed by the City.

Investments for the primary government, as well as for its component units, are reported at fair value. The Texpool and TexStar investment pools operate in accordance with appropriate State laws and regulations. The reported value of the pool is the same as the fair value of the pool shares.

2. Receivables and payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances".

All trade and property tax receivables are shown net of an allowance for uncollectibles. The allowance for uncollectible accounts for utility billing is estimated based on collection experience. All other allowance for uncollectible accounts is based on accounts outstanding in excess of 360 days of the invoice date and collection experience. The property tax receivable allowance is based on the average collection rate of delinquent taxes over the last five years.

The City's property tax is levied each October 1 on the assessed value listed as of the prior January 1 for all real and business personal property located in the City. Assessed values are established by the Dallas Central Appraisal District at 100% of estimated market value. Property taxes attach an enforceable lien on property as of January 1. Taxes are due immediately following the October 1 levy date and are considered delinquent after January 31 of the following year. Penalty and interest are charged at 7% on delinquent taxes beginning February 1 and increases each month to 18% on July 1. After all collection efforts have failed, the City files suit to collect the delinquent taxes.

In Texas, countywide central appraisal districts are required under the Property Tax Code to assess all property within the appraisal district on the basis of 100% of its appraised value and are prohibited from applying any assessment ratios. The value of property within the appraisal district must be reviewed every five years; however, the City may, at its own expense, require annual reviews by the appraisal district through various appeals and, if necessary, legal action. Under this system the City sets tax rates on property within the City. However, if the effective tax rate, excluding tax rates for bonds and other contractual obligations, adjusted for new improvements, exceeds the rate for the previous year by more than 8%, qualified voters of the City may petition for an election to determine whether to limit the tax rate to no more than 8% above the tax rate of the previous year.

3. Inventories and prepaid items

All inventories are valued at average cost and consist of expendable supplies held for consumption or the construction of plant and equipment. Inventories are accounted for under the consumption method.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

4. Restricted assets

Certain proceeds of the City's general obligation bonds, certificates of obligation, and revenue bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the balance sheet or statement of net position because their use is limited by applicable bond covenants or they are maintained in separate bank accounts due to City Charter requirements. The "rate mitigation" account is used to report resources set aside to subsidize potential deficiencies from Electric Fund operations that could adversely affect rates that are charged to customers. The "revenue bond construction" accounts are used to report those proceeds of revenue bond issuances that are restricted for use in construction of assets.

5. Capital assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and in the proprietary fund financial statements. Capital assets are defined by the City as tangible or intangible assets used in operations with an initial useful life in excess of one year. Capital asset values are established on a department by department basis where the initial asset cost is $5,000 and above.

In the case of the initial capitalization of general infrastructure assets (i.e., those reported by governmental activities) the government chose to include all such items regardless of their acquisition date or amount. As the City constructs or acquires additional capital assets each period, including infrastructure assets, they are capitalized and reported at historical cost. The reported value for buildings excludes normal maintenance and repairs which are essentially amounts spent in relation to capital assets that do not increase the capacity or efficiency of the item or extend its useful life beyond 40 years. The reported value for infrastructure includes all upgrades and is depreciated over a useful life of 15-50 years. In the case of contributed assets, the City values these capital assets at the acquisition value of the item at the date of its contribution.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capital value of the assets constructed. The total interest expense by the City during the current year was $31,678,436. Of this amount, $935,144 was included as part of the cost of capital assets under construction in connection with electric construction projects.

Property, plant, and equipment of the primary government are depreciated using the straight line method over the following estimated useful lives:

Assets	Years
Buildings	15 – 40
Improvements other than buildings	5 – 15
Equipment	2 – 10
Systems and Infrastructure	15 – 50

6. Compensated absences

It is the City's policy to permit employees to accumulate earned but unused vacation, compensatory time, and sick pay benefits. Employees are reimbursed upon termination for accumulated vacation and only non-exempt employees are reimbursed for compensatory time. Employees are not reimbursed upon termination for accumulated sick leave except for police and firefighters who are reimbursed up to a maximum of 90 days accumulated sick leave. The liabilities for these amounts are accrued as they are incurred in the government-wide and proprietary fund financial statements.

7. Long-term obligations

In the government-wide financial statements, and proprietary funds in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are recognized as an expense in the period incurred.

In the fund financial statements, governmental funds recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds, are reported as debt service expenditures.

8. Classifications of Fund balance

Fund balances for governmental funds are reported in classifications that demonstrate the extent to which the City is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. The governmental fund classifications are as follows:

Nonspendable – The portion of fund balance that cannot be spent because it is either (a) not in spendable form, such as inventories and prepaid items, or (b) legally or contractually required to be maintained intact.
Restricted – The portion of fund balance that is restricted for specific purposes due to constraints imposed by creditors, grantors, contributors, or laws and regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.
Committed – The portion of fund balance that can only be used for specific purposes by the City's highest level of decision-making authority, the City Council, and are imposed by the City Council through an ordinance. Once adopted, the limitation imposed by the ordinance remains in place until an ordinance is imposed to remove or revise the limitation.
Assigned – The portion of the fund balance that is constrained by the City's intent for specific purposes, but are not restricted or committed. In fund balance policy, the City Council delegates authority to the Director of Finance or the Director of Finance's designee to assign fund balance. The council may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriation in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.
Unassigned – The portion of the fund balance that is not restricted, committed, or assigned to specific purposes. The General Fund is the only fund that reports a positive unassigned funds balance amount. In other governmental funds, it is not appropriate to report a positive unassigned fund balance amount. However, if expenditures incurred for specific purposes exceed the amounts that are not restricted, committed, or assigned to this purpose, it may be necessary to report a negative fund balance in that fund.

In circumstances where an expenditure is to be made for a purpose for which amounts are available in multiple fund balance classifications, the order in which resources will be expended is as follows: restricted fund balance, followed by committed fund balance, assigned fund balance, and lastly, unassigned fund balance.

In order to remain financially strong and provide a framework for prudent financial management, the City maintains a minimum unassigned fund balance goal in the General fund of 30 days of budget-based operating expenditures.

Fund balances for governmental activities as of September 30, 2020 are:

Fund Balance	*General Fund*	*Debt Service*	*Capital Projects*	*Other Nonmajor Governmental Funds*	*Total Governmental Funds*
Nonspendable:					
General government	$ 2,216	$ -	$ -	$ -	$ 2,216
Total Nonspendable	2,216	-	-	-	2,216
Restricted:					
General government	$ 2,072,994	$ -	$ -	$ 4,498,658	$ 6,571,652
Debt service	-	6,724,308	-	-	6,724,308
Public facilities	-	-	35,317,431	-	35,317,431
Housing assistance	-	-	-	3,943,520	3,943,520
Public safety	-	-	-	216,452	216,452
Total Restricted	2,072,994	6,724,308	35,317,431	8,658,630	52,773,363
Committed:					
General government	2,749,924	-	-	-	2,749,924
Public works and infrastructure	10,590,833	-	-	12,382,296	22,973,129
Total Committed	13,340,757	-	-	12,382,296	25,723,053
Assigned:					
General government	14,067,692	-	7,860,555	-	21,928,247
Total Assigned	14,067,692	-	7,860,555	-	21,928,247
Unassigned	23,171,802	-	-	(10,130)	23,161,672
Total fund balance	$ 52,655,461	$ 6,724,308	$ 43,177,986	$ 21,030,796	$ 123,588,551

9. Fund net position

In the fund financial statements, proprietary funds report restricted net position for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose.

10. Deferred Inflows/Outflows of Resources

In addition to assets, the statement of net position and balance sheet will report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position/fund balance that applies to a future period and will not be recognized as an outflow of resources (expenses/expenditure) until then. The City has the following items that qualify for reporting in this category:

- Deferred charges on refunding – The deferred charge results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunding or the refunded debt.
- Pension and OPEB contributions subsequent to measurement date – The deferred charges result from contributions made after the measurement date of the plans to the current fiscal year end. These charges will be recognized in the subsequent fiscal year end.
- Difference in projected and actual earnings – The difference is deferred and will be amortized as a component of pension expense on a closed basis over a five-year period beginning with the period in which the difference occurred.
- Difference in assumption changes – The difference is deferred and amortized over estimated average remaining lives of all members determined as of measurement date.
- Deferred charges on asset retirement obligation – The deferred charge will be recognized as an outflow of resources over the remaining estimated useful life of the asset.

In addition to liabilities, the statement of net position and balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position/fund balance that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. The City has the following items that quality for reporting in this category:

- Fair value of energy risk derivatives – The deferred charge represents fuel swap hedging activity and is calculated as the difference between the closing futures price at the end of the reporting period, and the futures price at the time the positions were established.
- Deferred charges on refunding – The deferred charge results from the difference in carry value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunding or the refunded debt.
- Difference in expected and actual economic experience – The difference is deferred and will be amortized as a component of pension and OPEB expense over the estimated average remaining lives of all members determined as of measurement date.
- Difference in projected and actual earnings – The difference is deferred and will be amortized as a component of pension expense on a closed basis over a five-year period beginning with the period in which the difference occurred.
- Difference in assumption changes – The difference is deferred and amortized over estimated average remaining lives of all members determined as of measurement date.

11. New accounting principles

The City implemented the following new GASB standards during the fiscal year ended September 30, 2020:

The GASB has issued Statement No. 89, *"Accounting for Interest Cost Incurred before the End of a Construction Period"* ("GASB 89"), which will be effective in fiscal year 2022. The objective of this statement is to (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. This City is currently evaluating the impact of this statement.

With the implementation of Statement No. 89, the City's Electric fund began treating interest incurred during the construction period as a regulatory asset under GASB 62. The regulatory interest is recorded in Others Assets and amortized in Amortization of Other Assets. On 9/30/20, the Other Asset account had a balance of $924,996 in regulatory interest and $7,469 of regulatory interest was amortized in Amortization of Other Assets. The Water and Wastewater funds discontinued the capitalization of interest due to the implementation of GASB 89.

The GASB has issued Statement No. 95, "*Postponement of the Effective Dates of Certain Authoritative Guidance"* ("GASB 95"), is effective in fiscal year 2020. The objective of this statement is to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. This objective is accomplished by postponing the effective dates of statements 83, 84, 87, 88, 89, 90, 91, 91, 92, and 93. The adoption of Statement No. 95 is reflected in the implementation dates for the referenced statements and provided the City an extension of those dates.

GASB issued the following new accounting standards that are expected to be implemented by the City in future years:

The GASB has issued Statement No. 84, *"Fiduciary Activities"* ("GASB 84"), which will be effective in fiscal year 2021. The objective of this statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. The City has not yet evaluated the impact of the implementation of this standard.

The GASB has issued Statement No. 87 *"Leases"* (GASB 87), which will be effective in fiscal year 2022. The objective of this statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows or resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance of consistency of information about governments' leasing activities. The City has not yet evaluated the impact of the implementation of this standard.

The GASB has issued Statement No. 90, *"Majority Equity Interest – an amendment of GASB Statements No. 14 and No. 61"* ("GASB 90"), which will be effective in fiscal year 2021. The objective of this statement is to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. The City has not yet evaluated the impact of the implementation of this standard.

The GASB has issued Statement No. 91, *"Conduit Debt Obligations"* ("GASB 91"), which will be effective in fiscal year 2022. The objective of this statement is to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing stands for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. The City has not yet evaluated the impact of the implementation of this standard.

The GASB has issued Statement No. 92, *"Omnibus 2020"* ("GASB 92"), which will be effective in fiscal year 2022. The objectives of this statement are to enhance comparability in accounting and financial reporting to improve the consistency of authoritative literature by addressing practice issues that have been identified during the implementation and application of certain GASB statements. The City has not yet evaluated the impact of the implementation of this standard.

The GASB has issued Statement No. 93, *"Replacement of Interbank Offered Rates"* ("GASB 93"), which will be effective in fiscal year 2022. The objective of this statement is to address accounting and financial reporting implications that result from the replacement of an interbank offered rate (IBOR), most notably, the London Interbank Offered Rate (LIBOR). This statement achieves this objective by (1) providing exceptions for certain hedging derivative instruments to the hedge accounting termination provisions when an IBOR is replaced as the reference rate of the hedging derivative instrument's variable payment, (2) clarifying the hedge accounting termination provisions when a hedged item is amended to replace the reference rate, (3) clarifying that the uncertainty related to the continued availability of IBORs does not, by itself, affect the assessment of whether the occurrence of the hedged expected transaction is probable, (4) removing LIBOR as an appropriate benchmark interest rate for the qualitative evaluation of the effectiveness of an interest rate swap, (5) identifying a secured overnight financing rate and the effective federal funds rate as appropriate benchmark interest rates for the qualitative evaluation of an interest rate swap, and (6) clarifying the definition of reference rate, as it is used in statement 53 as amended. The statement also provides an exception to the lease modifications guidance in Statement 87, as amended, for certain lease contracts that are amended solely to replace an IBOR as the rate upon which variable payments depend. The City has not yet evaluated the impact of the implementation of this standard.

The GASB has issued Statement No. 94, *"Public-Private and Public-Public Partnerships and Availability Payment Arrangements"* ("GASB 94"), which will be effective in fiscal year 2023. The primary objective of this statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). A PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset for a period of time in an exchange or exchange-like transaction. The City has not yet evaluated the impact of the implementation of this standard.

The GASB has issued Statement No. 96, *"Subscription-Based Information Technology Arrangements"* ("GASB 96"), which will be effective in fiscal year 2023. This statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users. This statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset – an intangible asset – and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. The City has not yet evaluated the impact of the implementation of this standard.

The GASB has issued Statement No. 97, *"Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – an amendment of GASB statements No. 14 and No. 84, and a supersession of GASB statement No. 32"* ("GASB 97") which will be effective in fiscal year 2022. The primary objectives of this statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code Section 457 deferred compensation plans that meet the definition of a pension plan and for benefits provided through those plans. The City has not yet evaluated the impact of the implementation of this standard.

II. Reconciliation of government-wide and fund financial statements

A. Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net position.

The governmental fund balance sheet includes reconciliation between *fund balance – total governmental funds* and *net position – governmental activities* as reported in the government-wide statement of net position. One element of that reconciliation explains that "long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds." The details of this $236,340,000 difference is as follows:

General Obligation bonds – General Government portion	$137,125,000
Certificates of Obligation – General Government portion	99,215,000
Net adjustment to reduce *fund balance – total governmental funds* to arrive at net position – governmental activities	$236,340,000

The portion of Certificates of Obligation amounting to $660,000 was issued for Internal Service fund projects.

B. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities.

The governmental fund statement of revenues, expenditures, and changes in fund balance includes reconciliation between *net changes in fund balances – total governmental funds* and *change in net position of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation states that "the issuance of long-term debt (e.g., bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when the debt is first issued, whereas these amounts are deferred and amortized in the statement of activities." The details of this ($9,945,824) difference are as follows:

Debt issued or incurred:	
Issuance of certificate of obligation – Governmental Funds	$ (13,755,000)
Issuance of general obligation bonds – Governmental Funds	(22,390,000)
Net premium on issuance of bonds	(4,618,549)
Principal repayments:	
General obligation debt	19,295,000
Certificates of obligation	8,400,000
Refunded debt of general obligation debt	1,369,381
Amortization of bond premium	4,644,728
Change in landfill closure liability	(1,091,382)
Change in compensated absences liability	(1,800,002)
Net adjustment to increase *net changes in fund balances – total governmental funds* to arrive at *changes in net position of governmental activities*	$ (9,945,824)

Another element of that reconciliation states that "governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlay in the current period." The details of this $45,333,814 difference are as follows:

Capital outlays	$ 67,491,361
Developers contributions	8,710,833
General Fund expense outlays	1,667,965
Depreciation expense	(32,532,252)
Proceeds from disposal of assets	(153,276)
Gain on disposals of assets	149,183
Net adjustment to increase *net changes in fund balances – total governmental funds* to arrive at *changes in net position of governmental activities*	$ 45,333,814

III. Stewardship, compliance, and accountability

Deficit fund equity

The Landfill Closure Fund deficit of $10,130 is due to an accrual of expenditures associated with the ongoing closure cost at the Castle Landfill. This deficit will be eliminated during budget year 2021.

The Self-Insurance Fund deficit of $1,922,651 a result of an accrual of claims incurred but not reported of $6,438,074. This accrual was made on the basis of an actuarial analysis completed in 2020 and will be funded in future periods as the payments become due.

The Long-Term Disability Insurance Fund deficit of $904,309 is the result of an accrual of claims incurred but not reported of $2,863,759. This accrual was made on the basis of an actuarial analysis completed in 2020 and will be funded in future periods as the payments become due.

The Fleet Services Fund deficit of $982,751 was created due to the recognition of the actuarially determined net pension liability and other postemployment benefits liability. This deficit will be eliminated by the support service allocation charge to other operating funds in future years.

The Warehouse Fund deficit of $298,742 was created due to the recognition of the actuarially determined net pension liability and other postemployment benefits liability. This deficit will be eliminated by the support service allocation charge to other operating funds in future years.

IV. Detailed notes on all funds

A. Deposits and investments

Deposits. Consistent with the requirements of State law and the City's investment policy, the City requires all bank and savings bank deposits to be federally insured, fully secured through an FHLB standby letter of credit ("LOC") or collateralized with eligible securities in accordance with Texas Government Code Chapter 2257. The City's deposits were fully insured or collateralized as required by state statutes as of September 30, 2020. Collateral was held by the Federal Reserve Bank in the City name under a joint safekeeping agreement with JP Morgan Chase Bank. The market value of the collateral at the close of the fiscal year was $7,550,683.

As of September 30, 2020, the carrying amount of the City's deposits was $2,299,722 and the bank balance was $1,878,204. These balances include the City's blended component unit (Garland Foundation for Development). On September 30, 2020, the City's bank balance and the balance for GFFD was fully collateralized. Bank balances for the City's discretely presented component unit (Garland Housing Finance Corporation) were fully collateralized and the carrying value of the component unit's deposits was $1,094,108.

Investments. State statutes, the City's Investment Policy, and the City Statement of Investment Strategies govern the investments of the City. The City is authorized to invest in obligations of the U.S. Government and its agencies and instrumentalities, federal agency discount-amortizing notes, federal agency coupon securities, managed pool accounts and Certificates of Deposit.

As of September 30, 2020, the City had the following cash equivalents and investments:

Investment Type	Book Value	Fair Value Level 2	% of portfolio	WAM	Rating	Rating Agency
Federal Farm Credit Bank	$ 104,011,182	$ 106,174,497	18.63%	357	AA+/Aaa	S&P/Moody's
Federal Home Loan Bank	45,096,035	46,313,234	8.08%	489	AA+/Aaa	S&P/Moody's
Federal Home Loan Mortgage Corp	20,013,013	20,059,964	3.58%	349	AA+/Aaa	S&P/Moody's
Federal National Mortgage Association	14,980,649	15,209,156	2.68%	254	AA+/Aaa	S&P/Moody's
Federal Agriculture Mortgage Corp	8,001,818	8,268,825	1.43%	488	AA+/Aaa	S&P/Moody's
U.S. Treasury	50,055,627	50,541,660	8.97%	236	AA+/Aaa	S&P/Moody's
Municipal Bonds	6,400,000	6,394,175	1.15%	730	AA+/Aaa	S&P/Moody's
Certificates of Deposit	25,729,540	-	4.61%	1	N/A	N/A
Investment Pools	284,014,713	-	50.87%	60	AAAm	S&P
Total investment fair value	$ 558,302,577	$ 252,961,511	100.00%	162		

Weighted average maturity (WAM) of the portfolio by investment type categories reflected in the previous table is stated in days. The rating agency acronyms are defined as follows: S&P-Standard & Poor's rating agency and Moody's-Moody's Investor Service.

Fair Value Measurement. The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. GASB Statement No. 72, *Fair Value Measurement and Application* provides a framework for measuring fair value which establishes a three-level fair value hierarchy that describes the inputs that are used to measure assets and liabilities.

- Level 1 inputs are quoted prices (unadjusted) for identical assets and liabilities in active markets that government can access at the measurement date.
- Level 2 inputs are inputs (other than quoted prices within Level 1) that are observable for an asset and liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for an asset or liability.

The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs. For the City, all of the U.S. Government Agency securities and Municipal obligations are classified in Level 2 of the fair value hierarchy and are valued based on their relationship to benchmark quoted prices. Investment Pools and Certificates of Deposit are measured at amortized cost or net asset value and are exempt from fair value reporting.

Interest Rate Risk. As a means of limiting its exposure to fair value losses arising from rising interest rates, the City's investment policy limits at least half of the City's investment portfolio to maturities of less than five years and a WAM of three years or less. As of September 30, 2020, the WAM for all cash equivalents and investments was 162 days.

Credit risk. The risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized rating organization. The City's investments in U. S. agencies were rated AA+ by Standard & Poor's and Aaa by Moody's Investors Service as of September 30, 2020.

The City invests in Texpool and TexStar to meet its daily liquidity needs. Texpool and TexStar are local government investment pools (LGIPs) that were established in conformity with the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code and the Public Funds Investment Act, Chapter 2256 of the Code. These pools qualify to be valued at amortized cost and have no limitations or restrictions on withdrawals. Texpool and TexStar are funds that allow shareholders the ability to deposit or withdraw funds on a daily basis. Interest rates are also adjusted on a daily basis. Such funds seek to maintain a constant net asset value of $1.00, although this cannot be fully guaranteed. Texpool and TexStar are all rated AAAm and must maintain a dollar weighted average maturity not to exceed a 60 day limit. The City considers the holdings in these funds to have a WAM of one day, due to the fact that the share position can usually be redeemed each day at the discretion of the shareholder, unless there has been a significant change in value.

The City invests in Certificates of Deposit. The City has entered into custody services agreement with Stone Castle Cash Management to act as authorized agent to purchase and manage Certificates of Deposit (CDs) in depository banks. The CDs held at each bank are in the City's name and the CD cannot exceed the FDIC insurance amount. Money can be withdrawn from Stone Castle Cash Management with one day notice. The City considers the holding in these CDs to have a weighted average maturity of one day, due to the fact that these funds can be withdrawn with one day notice.

State law limits investments in commercial paper to the top two ratings issued by at least two nationally recognized credit rating agencies. It is the City's policy to limit its investments in these investment types to the top rating issued by national recognized credit rating agencies. As of September 30, 2020, the City held no direct investments in commercial paper.

As of September 30, 2020, the City had the following cash equivalents and investments held by the trust agency Public Agency Retirement Services (PARS) for the OPEB trust fund:

Investment Type	Fair Value
Equity Mutual Funds	$ 4,792,971
Fixed Income Mutual Funds	4,552,521
Money Market Fund	83,921
Total investment fair value	$ 9,429,413

B. Receivables

Receivables as of year-end for the City's individual major funds and nonmajor and internal service funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	General	Debt Service	Capital Projects	Electric	Water	Sewer	Other Funds	Total
Receivables:								
Interest	$ 108,995	$ -	$ 155,325	$ 117,552	$ 34,433	$ 38,982	$ 137,327	$ 592,614
Taxes	1,278,511	1,218,804	-	-	-	-	-	2,497,315
Utility Accounts	251,368	-	-	21,775,516	8,987,476	4,818,791	3,546,352	39,379,503
Mowing Liens	793,386	-	-	-	-	-	-	793,386
EMS Accounts	1,878,090	-	-	-	-	-	-	1,878,090
Franchise Fee	1,065,992	-	-	-	-	-	-	1,065,992
Sales Tax	5,074,076	-	-	-	-	-	-	5,074,076
Wholesale & Other Accts	4,742,272	-	531,317	43,977,301	856,846	23,302	4,171,196	54,302,234
Assessments	16,032	-	-	-	-	-	-	16,032
Gross Receivables	15,208,722	1,218,804	686,642	65,870,369	9,878,755	4,881,075	7,854,875	105,599,242
Less: allowance for uncollectibles	(1,788,238)	(658,462)	-	(791,241)	(132,088)	(57,427)	(106,300)	(3,533,756)
Net total receivables	$13,420,484	$ 560,342	$ 686,642	$ 65,079,128	$ 9,746,667	$ 4,823,648	$ 7,748,575	$102,065,486

Governmental funds defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of *unearned revenue* in the governmental funds were as follows:

	Unearned
Parks service charges for future events	$ 66,536
Faulkner receivable	131,823
CARES Act	755,699
Homeowner assistance	4,477,230
Other receivables related to capital projects	3,803,455
	$ 9,234,743

Governmental funds defer revenue recognition in connection with resources that have been earned, but not yet available. These amounts are reported as deferred inflows of resources. At the end of the current fiscal year, the various components of deferred inflows of resources in the governmental funds were as follows:

	Unavailable
Delinquent property taxes receivable (general fund)	$ 523,659
Delinquent property taxes receivable (debt service fund)	499,204
Sales tax, mowing liens, EMS, & other receivables	5,192,576
	$ 6,215,439

C. Capital Assets

Capital asset activity for the year ended September 30, 2020, was as follows:

Primary government

	Balance at Oct. 1, 2019	Increases	Decreases	Balance at Sept. 30, 2020
Governmental activities:				
Capital assets, not being depreciated:				
Land	$ 100,276,288	$ 9,327,019	$ -	$109,603,307
Internal service land	358,759	-	-	358,759
Construction in progress	45,662,761	51,429,622	(34,189,953)	62,902,430
Internal service construction in progress	9,282,810	4,678,993	(1,634,204)	12,327,599
Total capital assets, not being depreciated	155,580,618	65,435,634	(35,824,157)	185,192,095
Capital assets, being depreciated:				
Buildings	135,448,604	1,362,026	-	136,810,630
Improvements other than buildings	553,681,150	42,115,935	(2,084,874)	593,712,211
Machinery and equipment	105,845,147	7,825,510	(1,743,287)	111,927,370
Internal service buildings, improvements, and equipment	124,279,192	7,182,907	(3,055,244)	128,406,855
Total capital assets being depreciated	919,254,093	58,486,378	(6,883,405)	970,857,066
Less accumulated depreciation for:				
Buildings	(54,428,491)	(3,339,252)	-	(57,767,743)
Improvements other than buildings	(401,780,965)	(20,839,120)	2,084,874	(420,535,211)
Machinery, furniture, and equipment	(72,116,198)	(8,353,880)	1,739,194	(78,730,884)
Internal service buildings, improvements, and equipment	(74,532,147)	(9,092,808)	3,015,082	(80,609,873)
Total accumulated depreciation	(602,857,801)	(41,625,060)	6,839,150	(637,643,711)
Total capital assets, being depreciated, net	316,396,292	16,861,318	(44,255)	333,213,355
Governmental activities capital assets, net	$ 471,976,910	$ 82,296,952	$ (35,868,412)	$518,405,450

	Balance at Oct. 1, 2019	Increases	Decreases	Balance at Sept. 30, 2020
Business-type activities:				
Capital assets, not being depreciated:				
Land	$ 43,504,033	$ 3,579,387	$ (1,194,856)	$ 45,888,564
Construction in progress	77,583,883	121,404,159	(131,131,901)	67,856,141
Total capital assets, not being depreciated	121,087,916	124,983,546	(132,326,757)	113,744,705
Capital assets, being depreciated:				
Utility buildings, improvements, and equipment	1,621,552,108	131,541,341	(13,243,702)	1,739,849,747
Total capital assets being depreciated	1,621,552,108	131,541,341	(13,243,702)	1,739,849,747
Less accumulated depreciation for:				
Utility buildings, improvements, and equipment	(638,551,056)	(45,383,865)	7,514,337	(676,420,584)
Total accumulated depreciation	(638,551,056)	(45,383,865)	7,514,337	(676,420,584)
Total capital assets, being depreciated, net	983,001,052	86,157,476	(5,729,365)	1,063,429,163
Business-type activities capital assets, net	$1,104,088,968	$211,141,022	$(138,056,122)	$ 1,177,173,868

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental activities:	
General government	$ 1,871,921
Public safety	4,026,820
Public works	22,797,497
Culture and recreation	3,760,079
Public health	75,935
Capital assets held by the government's internal service funds are charged to the various functions based on their usage of assets	9,092,808
Total depreciation expense – governmental activities	$ 41,625,060
Business-type activities:	
Electric	$ 19,804,673
Water	8,533,431
Sewer	12,427,582
Other non-major business-type activities	4,618,179
Total depreciation expense – business-type activities	$ 45,383,865

The City has identified intangible assets related to right of way easements. These assets have been classified as non-depreciating assets and reported in the same method as land assets.

Construction commitments

The City has active construction projects as of September 30, 2020. At year-end the City's commitments with contractors are as follows:

Project	Spent-to-Date	Remaining Commitment
Water System	$ 3,021,787	$ 6,077,781
Sewer System	4,509,805	9,518,543
Electric System	16,437,999	8,549,721
Parks & Recreation	1,353,871	312,088
Streets and Drainage	38,348,639	9,639,908
Municipal Facilities	2,497,164	726,351
Total	$ 66,169,265	$ 34,824,392

D. Interfund receivables, payables, and transfers

The composition of interfund balances as of September 30, 2020, is as follows:

Interfund Payable	General Fund	Total
Capital Project Funds	$ 284,887	$ 284,887
Non Major Business-Type	196,830	196,830
Non-Major Governmental	71,885	71,885
Internal Service Funds	1,794,176	1,794,176
	$ 2,347,778	$ 2,347,778

Interfund balances are created by short-term deficiencies in cash position in individual funds and it is anticipated that these balances will be repaid within one year or less.

The composition of advances to/from at September 30, 2020, is as follows:

Advance Payable	Electric	Total
Internal Service	$ 3,896,269	$ 3,896,269

Advances are created by long-term deficiencies in cash position in individual funds. It is not anticipated that these balances will be repaid within one year or less.

During the year, funds were transferred from one fund to support expenditures of another fund in accordance with the authority established for the individual fund. A summary of interfund transfers by fund type is as follows:

	Transfers In							
	General Fund	Debt Service Fund	Capital Project Fund	Non-major Governmental Funds	Electric	Water	Internal Service Funds	Total Transfers
General	$ -	$ -	$ 1,875,252	$ 480,786	$ -	$ -	$ 38,873	$ 2,394,911
Debt Service	-	-	22,280,000	-	-	-	77,113	22,357,113
Capital Project	17,909,000	-	-	162,593	-	-	-	18,071,593
Non-major Governmental	258,333	-	458,176	-	-	-	744	717,253
Electric	21,549,598	230,420	-	-	-	118,025	555,925	22,453,968
Water	7,583,996	131,775	-	-	-	-	43,164	7,758,935
Sewer	6,546,629	133,892	-	-	7,977	-	13,442	6,701,940
Non-major Business-Type	1,053,399	172,418	-	-	-	-	159,118	1,384,935
Internal Service	-	16,935	60,000	-	-	-	-	76,935
	$54,900,955	$685,440	$24,673,428	$ 643,379	$ 7,977	$ 118,025	$888,379	$81,917,583

Transfers are used to move unrestricted general fund revenues to finance various programs that the government must account for in other funds in accordance with budgetary authorizations; in-lieu-of franchise fees and ad valorem taxes transferred to the General Fund by Water, Wastewater, and Solid Waste; return on investment transferred to the General Fund from the Electric Fund; debt service transfers for payment of principal and interest as these payments are due; and other miscellaneous transfers in accordance with budgetary authorizations.

E. Long-term liabilities

A summary of long-term liabilities, including current portion, for the year ended September 30, 2020, is as follows:

	Balance at Oct. 1, 2019	Increased	Retired	Balance at Sept. 30, 2020	Due within one year
Governmental activities:					
General obligation bonds	$ 150,670,000	$ 22,390,000	$ (20,765,000)	$ 152,295,000	$ 20,885,000
Certificates of obligation	98,660,000	14,415,000	(9,995,000)	103,080,000	10,200,000
Unamortized premium and defeased debt costs	19,074,832	4,767,141	(4,913,338)	18,928,635	-
Landfill post closure cost	14,650,334	1,091,383	-	15,741,717	-
Compensated absences	23,609,758	4,223,196	(2,162,431)	25,670,523	11,012,935
Insurance claims payable	12,147,411	-	(576,881)	11,570,530	5,533,197
OPEB liability	56,377,250	7,058,709	-	63,435,959	-
Net pension liability	63,953,337	-	(52,325,264)	11,628,073	-
Governmental activities Long-term debt	$ 439,142,922	$ 53,945,429	$ (90,737,914)	$ 402,350,437	$ 47,631,132
Business-type activities:					
Utility System revenue bonds	$ 519,265,000	$ 225,800,000	$ (62,400,000)	$ 682,665,000	$ 39,370,000
General obligation bonds	10,430,000	-	(6,750,000)	3,680,000	2,990,000
Certificates of obligation	141,425,000	2,095,000	(132,540,000)	10,980,000	3,110,000
Unamortized premium and defeased debt costs	46,576,645	32,606,286	(11,777,573)	67,405,358	-
Commercial Paper	100,500,000	96,000,000	(113,265,000)	83,235,000	-
Compensated absences	3,300,724	1,004,636	(426,479)	3,878,881	2,516,280
TMPA decommissioning liability	50,328,348	828,706	(4,152,124)	47,004,930	-
OPEB liability	19,733,848	2,470,775	-	22,204,623	-
Net pension liability	23,894,655	-	(19,550,100)	4,344,555	-
Asset retirement obligations	480,322	6,725	-	487,047	-
Business-type activities Long-term debt	$ 915,934,542	$ 360,812,128	$ (350,861,276)	$ 925,885,394	$ 47,986,280

Internal Service Funds predominantly serve the governmental funds. Accordingly, long-term liabilities for those funds are included as part of the above totals for governmental activities. At year-end $15,170,000 of general obligation bond debt, $3,865,000 of certificates of obligation, $1,253,579 of compensated absences, $1,873,889 of unamortized premium costs, $10,348,578 of OPEB liabilities, and $1,523,789 of net pension liabilities from the Internal Service Funds are included in the governmental activities general obligation bonds, certificates of obligation, compensated absences, and OPEB, liabilities. Also, for the governmental activities, compensated absences, net pension liabilities, and OPEB claims payable are generally liquidated by the General Fund.

The proceeds of $14,415,000 from the sale of certificates of obligation and $22,390,000 of refunded general obligation bonds for governmental activities are reported as follows:

Fund	Certificates of Obligation	General Obligation Debt	Total Bonded Debt
Capital Project Fund – proceeds from issuance of debt	$ 13,755,000	$ 21,220,000	$ 34,975,000
Internal Service Fund statement of cash flows – proceeds from sale	660,000	-	660,000
Debt Service Fund – issuance of refunding bonds	-	1,170,000	1,170,000
Total	$ 14,415,000	$ 22,390,000	$ 36,805,000

A summary of short-term debt transactions for the year ended September 30, 2020, is as follows:

	Balance at October 1, 2019	Increased	Retired	Balance at September 30, 2020
Governmental activities:				
Commercial Paper	$ 23,500,000	$ 12,500,000	$ 23,500,000	$ 12,500,000
Governmental activities short-term debt	$ 23,500,000	$ 12,500,000	$ 23,500,000	$ 12,500,000

Commercial paper notes (CP) are short-term instruments that have maturities ranging from 1 to 270 days. Interest is paid at maturity but principal is rolled forward by issuing new CP. This process continues, typically for three years, until general obligation bonds (GOs) are issued to refinance outstanding CP. Only after GOs are issued do principal payments begin. The combined amortization of the CP and the GOs is set to not exceed 20 years. Utilization of CP enables the City to lower overall debt payments due to the deferral of principal payments and by taking advantage of lower interest rates. CP is only issued as the funds are required throughout the year. Only projects that have been approved as part of a bond referendum may be funded by GO commercial paper.

Long-term debt at September 30, 2020, includes the following individual issues (not including the unamortized premium costs of $86,333,993):

	Interest Rate (%)	Issue Date	Maturity Date	Original Issue	Cumulative Retirement	Outstanding
General obligation bonds:						
2014 Refunding	2.00 – 3.00	2/20/2014	2/15/2022	$ 18,450,000	$ 14,110,000	$ 4,340,000
2014A Refunding	3.00 – 5.00	11/20/2014	2/15/2020	34,215,000	34,215,000	-
2015A Refunding	2.00 – 5.00	2/19/2015	2/15/2035	22,695,000	3,645,000	19,050,000
2015B Refunding	2.00 – 2.55	2/19/2015	2/15/2025	22,490,000	5,065,000	17,425,000
2016 Refunding	5.00 -- 5.00	12/14/2016	2/15/2027	42,040,000	23,495,000	18,545,000
2017 Refunding	2.00 – 5.00	6/13/2017	2/15/2035	41,140,000	8,625,000	32,515,000
2018 Refunding	5.00 -- 5.00	12/20/2018	2/15/2029	47,270,000	5,560,000	41,710,000
2019 Refunding	4.00 – 4.50	12/03/2019	2/15/2030	22,390,000	-	22,390,000
				$ 250,690,000	$ 94,715,000	$ 155,975,000
Certificates of Obligation:						
2010 Electric utility	2.00 – 5.00	3/01/2010	2/15/2030	$126,885,000	$126,885,000	$ -
2010 Various purpose	2.00 – 4.50	4/15/2010	2/15/2030	3,205,000	3,205,000	-
2011 Various purpose	2.00 – 4.25	6/15/2011	2/15/2031	4,260,000	2,985,000	1,275,000
2012 Various purpose	2.00 – 3.375	6/01/2012	2/15/2032	6,755,000	4,755,000	2,000,000
2013 Various purpose	2.00 – 4.00	6/06/2013	2/15/2033	12,725,000	7,520,000	5,205,000
2014 Various purpose	2.00 – 4.00	6/19/2014	2/15/2034	13,475,000	8,980,000	4,495,000
2015 Various purpose	2.50 – 5.00	6/30/2015	2/15/2035	18,205,000	8,225,000	9,980,000
2015 Electric utility	5.00 – 5.00	8/27/2015	2/15/2020	53,870,000	53,870,000	-
2016 Various purpose	2.00 – 5.00	6/01/2016	2/15/2036	20,210,000	7,765,000	12,445,000
2017 Various purpose	2.00 – 5.00	6/13/2017	2/15/2037	18,140,000	5,135,000	13,005,000
2018 Various purpose	3.375 – 5.00	6/26/2018	2/15/2038	29,955,000	4,570,000	25,385,000
2019 Various purpose	3.00 – 5.00	6/19/2019	2/15/2039	25,125,000	1,365,000	23,760,000
2020 Various purpose	2.00 – 5.00	6/16/2020	2/15/2040	16,510,000	-	16,510,000
				$ 349,320,000	$ 235,260,000	$ 114,060,000

	Interest Rate (%)	Issue Date	Maturity Date	Original Issue	Cumulative Retirement	Outstanding
Utility system revenue bonds:						
2010 Water & Sewer	2.00 – 4.75	4/15/2010	3/01/2030	$ 21,270,000	$ 21,270,000	$ -
2011 Electric Utility	2.00 – 5.00	6/15/2011	3/01/2031	7,185,000	1,780,000	5,405,000
2011 Water & Sewer	2.00 – 5.00	6/15/2011	3/01/2031	19,205,000	4,725,000	14,480,000
2011A Electric Utility	3.00 – 5.00	11/01/2011	3/01/2024	20,830,000	20,830,000	-
2011A Water & Sewer	3.00 – 5.00	11/01/2011	3/01/2024	30,150,000	30,150,000	-
2012 Water & Sewer	2.00 – 4.00	6/01/2012	3/01/2032	8,415,000	2,880,000	5,535,000
2013 Electric Utility	2.00 – 2.25	6/06/2013	3/01/2025	11,790,000	5,595,000	6,195,000
2013 Water & Sewer	3.00 – 3.375	6/06/2013	3/01/2033	29,925,000	12,840,000	17,085,000
2014 Electric Utility	2.00 – 5.00	6/30/2014	3/01/2034	85,305,000	16,820,000	68,485,000
2014 Water & Sewer	3.00 – 3.375	6/19/2014	3/01/2034	38,175,000	15,050,000	23,125,000
2015 Electric Utility	2.00 – 5.00	2/19/2015	3/01/2025	15,355,000	7,660,000	7,695,000
2016A Electric Utility	2.00 – 5.00	12/14/2016	3/01/2026	12,055,000	3,460,000	8,595,000
2016B Electric Utility	4.00 – 5.00	12/14/2016	3/01/2037	36,875,000	3,490,000	33,385,000
2016 Water & Sewer	3.00 – 5.00	12/14/2016	3/01/2027	16,715,000	4,255,000	12,460,000
2017 Water & Sewer	4.00 – 5.00	6/13/2017	3/01/2028	21,430,000	3,735,000	17,695,000
2018 Electric Utility Ref	3.625 – 5.00	6/12/2018	3/01/2048	31,985,000	1,385,000	30,600,000
2018 Water & Sewer Ref	3.50 – 5.00	6/12/2018	3/01/2038	48,310,000	2,480,000	45,830,000
2018A Water & Sewer Ref	3.00 – 5.00	12/20/2018	3/01/2029	9,700,000	735,000	8,965,000
2019 Electric Utility Ref	4.00 – 5.00	2/26/2019	3/01/2049	147,610,000	2,520,000	145,090,000
2019 Water & Sewer	.17 – .89	8/02/2019	3/01/2034	6,670,000	430,000	6,240,000
2019A Electric Utility	4.00 – 5.00	12/03/2019	3/1/2050	140,790,000	-	140,790,000
2019A Water & Sewer	3.00 – 5.00	12/03/2019	3/1/2040	50,865,000	-	50,865,000
2020 Electric Utility	3.00 – 5.00	6/16/2020	3/1/2050	34,145,000	-	34,145,000
				$ 844,755,000	$162,090,000	$ 682,665,000

	Interest Rate (%)	Issue Date	Maturity Date	Original Issue	Net Retirement	Outstanding
Tax anticipation notes						
2019A Tax anticipation	2.32	6/12/2019	8/15/2020	9,530,000	9,530,000	-
2019B Tax anticipation	1.77	9/26/2019	11/15/2020	12,750,000	12,750,000	-
2020 Tax anticipation	0.50	9/30/2020	11/15/2021*	24,860,000	-	24,860,000
				$ 47,140,000	$ 22,280,000	$ 24,860,000

*The City considers this short-term. The notes were called and final payment was made on February 15, 2021.

	Interest Rate (%)	Issue Date	Maturity Date	Original Issue	Net Retirement	Outstanding
Commercial Paper						
2015 GO Commercial Paper Issue	0.19	9/21/2020	12/03/2020	$ 12,500,000	$ -	$ 12,500,000
2018 Electric Commercial Paper Issue	0.15	9/04/2020	12/03/2020	15,000,000	-	15,000,000
2018 Electric Commercial Paper Issue	0.19	9/14/2020	12/03/2020	52,735,000	-	52,735,000
2015 Water/Sewer Commercial Paper Issue	0.25	8/25/2020	11/23/2020	7,721,037	-	7,721,037
2015 Water/Sewer Commercial Paper Issue	0.20	9/21/2020	12/03/2020	7,778,963	-	7,778,963
				$ 95,735,000	$ -	$ 95,735,000

Commercial paper notes (CP) related to the enterprise funds are considered long-term instruments. Interest is paid at maturity but principal is rolled forward by issuing new CP. This process continues, typically for three years, until revenue bonds are issued to refinance outstanding CP. Only after revenue bonds are issued do principal payments begin. The combined amortization of the electric revenue bonds is set to not exceed 30 years. The combined amortization of the water and sewer revenue bonds is set to not exceed 20 years. Utilization of CP enables the City to lower overall debt payments due to the deferral of principal payments and by taking advantage of lower interest rates. CP is only issued as the funds are required throughout the year. Only projects that have been approved as part of a bond referendum may be revenue commercial paper.

The annual requirements to amortize outstanding debt as of September 30, 2020, including interest payments of $382,187,795 are summarized in the table below. Due to the nature of the obligation for compensated absences, annual requirements to amortize such obligations are not determinable, and are excluded from the summary:

	Governmental Activities			
Years Ending September 30,	General Obligation Bonds		Certificates of Obligation	
	Principal	Interest	Principal	Interest
2021	$ 20,885,000	$ 6,060,653	$ 10,200,000	$ 4,322,167
2022	20,085,000	5,183,903	10,300,000	3,756,044
2023	17,635,000	4,362,246	10,170,000	3,295,169
2024	17,465,000	3,575,353	9,585,000	2,849,506
2025	17,775,000	2,797,639	9,470,000	2,397,144
2026-2030	34,715,000	7,164,862	30,545,000	7,100,700
2031-2035	16,830,000	2,414,812	16,050,000	2,306,947
2036-2040	6,905,000	530,175	6,760,000	372,900
Total	$152,295,000	$ 32,089,643	$103,080,000	$ 26,400,577

	Business-type Activities					
Years Ending September 30,	Revenue Bonds		General Obligation Bonds		Certificates of Obligation	
	Principal	Interest	Principal	Interest	Principal	Interest
2021	$ 39,370,000	$ 30,849,638	$ 2,990,000	$ 109,150	$ 3,110,000	$ 468,742
2022	42,690,000	28,653,737	675,000	17,525	2,475,000	321,925
2023	44,725,000	26,596,826	-	650	1,880,000	216,750
2024	45,425,000	24,511,720	-	650	1,125,000	144,500
2025	39,935,000	22,567,263	5,000	525	950,000	92,950
2026-2030	184,315,000	85,361,229	10,000	500	1,285,000	140,700
2031-2035	105,325,000	50,242,661	-	-	75,000	18,300
2036-2040	69,850,000	30,667,256	-	-	80,000	4,800
2041-2045	55,195,000	17,761,603	-	-	-	-
2046-2050	55,835,000	4,947,975	-	-	-	-
Total	$682,665,000	$322,159,908	$ 3,680,000	$ 129,000	$ 10,980,000	$ 1,408,667

At September 30, 2020, the City has authorized but unissued general obligation bonds and general obligation commercial paper in the amount of $510,561,586 as follows:

	Balance at Oct. 1, 2019	General Obligation Bonds Issued	GO Commercial Paper Issued	Balance at Sept. 30, 2020
Streets Improvements	$ 194,122,398	$ 13,921,718	$ 1,428,973	$ 178,771,707
Park Improvements	134,232,073	2,485 235	5,808,045	125,938,793
Drainage Improvements	56,973,650	3,823,516	-	53,150,134
Municipal Facilities	13,759,622	740,206	1,143,845	11,875,571
Library Improvements	21,026,139	-	118,931	20,907,208
Public Safety	52,582,863	27,277	2,999,088	49,556,498
Animal Shelter	12,000,000	-	830,669	11,169,331
Economic Development	49,364,841	2,502,048	170,449	46,692,344
	$ 534,061,586	$ 23,500,000	$ 12,500,000	$ 498,061,586

A reconciliation was performed in FY2020 to the authorized but unissued general obligation bonds and it was determined that corrections were necessary. The beginning balances have been restated to correctly reflect the outstanding balances.

General Obligation Refunding Bonds do not impact the authorized but unissued General Obligation bonds. The City intends to retire all general long-term debt, plus interest, from ad valorem taxes and other current revenues. Revenue Bonds, applicable Certificates of Obligation and applicable General Obligation Bonds are reflected in the appropriate Proprietary Fund operation. Current requirements for principal and interest expenses are accounted for in the appropriate Proprietary Fund operation.

The City has pledged future Electric, Water and Sewer utility revenues, net of specified operating expenses, to repay $741,356,684 in outstanding Electric Utility System Revenue Bonds and $263,468,224 in outstanding Water & Sewer Utility System Revenue Bonds. Proceeds from the revenue bonds provide financing for the acquisition and construction of various Electric, Water and Sewer assets. The bonds are payable solely from Electric net revenues and are payable through 2050. Water and Sewer bonds are payable solely from net revenues from Water and Sewer and are payable through 2040. Principal paid and interest incurred for the current year was as follows:

Utility Revenue Bonds	Principal	Interest	Total	Pledged Revenue
Electric	$ 14,195,000	$ 19,791,093	$ 33,986,093	$ 100,640,378
Water & Sewer	16,490,000	9,015,730	25,505,730	50,381,492

Certificates of Obligation and General Obligation Bonds applicable to Proprietary Fund operations are reflected in the appropriate Enterprise and Internal Service Funds and current requirements for principal and interest expenses are accounted for in the applicable fund. These requirements will be met by current revenues.

Debt issues for the year are as follows:

Issue	Principal	Purpose
Certificates of Obligation, Series 2020	$ 16,510,000	Constructing, equipping, and improving municipal park and recreation facilities, municipal landfill/transfer stations facilities, and information management services systems; constructing and improving streets, including drainage, landscaping, retaining walls, curbs, gutters, sidewalks, signage, traffic signalization and street noise abatement and utility system relocation incidental thereto, and the acquisition of land and rights-of-way therefor; acquiring public safety, environmental waste services equipment, acquiring, constructing, and equipping exiting municipal buildings, including HVAC replacement upgrade, roof replacement and safety upgrades; constructing drainage improvements, including bridge remediation; and professional services rendered in connection therewith.
General Obligation Refunding Bonds, Series 2019	22,390,000	CO and commercial paper bond refunding
Electric Utility System Revenue Refunding Bonds, New Series 2019A	140,790,000	Revenue bond and commercial paper refunding
Water & Sewer System Revenue Refunding Bonds, New Series 2019A	50,865,000	Revenue bond and commercial paper refunding
Electric Utility System Revenue Bonds, New Series 2020	34,145,000	Commercial paper takeout
Tax Anticipation Note, Series 2020	24,860,000	Short term capital projects

On December 3, 2019, the City issued $22,390,000 in General Obligation Refunding Bonds, Series 2019 to refund $1,345,000 of outstanding Certificates of Obligations Bonds, Series 2010; and takeout $23,500,000 of outstanding commercial paper. An amount of $24,869,381 was placed with an escrow agent to provide for debt service payments on the refunded bonds at the call date. The refunded bonds are considered defeased and the liability for those bonds have been removed from the City's financial statements. As a result of the refunding, the City decreased its total debt service payments over the next ten years by $210,493, and obtained an economic gain (difference between the present values of the debt service payments of the old and new debt) of $192,143.

On December 3, 2019, the City issued $50,865,000 in Water & Sewer Revenue Refunding Bonds, New Series 2019A to refund $13,040,000 of outstanding Water & Sewer System Revenue Bonds, Series 2010; $11,130,000 of outstanding Water & Sewer System Revenue Bonds, Series 2011A; and takeout $32,500,000 of outstanding commercial paper. An amount of $57,181,821 was placed with an escrow agent to provide for debt service payments on the refunded bonds at the call date. The refunded bonds are considered defeased and the liability for those bonds have been removed from the City's financial statements. As a result of the refunding, the City decreased its total debt service payments over the next ten years by $3,339,947, and obtained an economic gain (difference between the present values of the debt service payments of the old and new debt) of $3,216,820.

On December 3, 2019, the City issued $140,790,000 in Electric Utility System Revenue Refunding Bonds, New Series 2019A to refund $121,495,000 of outstanding 2010 Certificates of Obligation; $7,000,000 of outstanding Electric Utility System Revenue Bonds, Series 2011A; and takeout $41,305,000 of outstanding commercial paper. An amount of $165,427,468 was placed with an escrow agent to provide for debt service payments on the refunded bonds at the call date. The refunded bonds are considered defeased and the liability for those bonds have been removed from the City's financial statements. As a result of the refunding, the City decreased its total debt service payments over the next ten years by $22,669,696 and obtained an economic gain (difference between the present values of the debt service payments of the old and new debt) of $20,665,287.

On June 16, 2020, the City issued $34,145,000 in Electric Utility System Revenue Refunding Bonds, New Series 2020 to takeout $39,460,000 of outstanding commercial paper.

TMPA Decommissioning liability

On June 28, 2019, ERCOT was notified of the plan to move TMPA's Gibbons Creek power plant to a status of decommissioned and retired. The official date is October 23, 2019. These actions triggered TMPA to record a decommissioning liability and a corresponding discounted receivable from the TMPA Member Cities, as they are obligated to pay all associated costs. The City recorded a liability to TMPA for its percentage share of the decommissioning liabilities as of September 30, 2019.

	Balance at Oct. 1, 2019	Increased	Reductions	Balance at Sept. 30, 2020
TMPA decommissioning liability	$ 50,328,348	$ 828,706	$4,152,124	$ 47,004,930

F. Retirement Plans

Plan Description

The City participates as one of 888 plans in the nontraditional, joint contributory, hybrid defined benefit pension plan administered by the Texas Municipal Retirement System (TMRS). TMRS is an agency created by the State of Texas and administered in accordance with the TMRS Act, Subtitle G, Title 8, Texas Government Code (the TMRS Act) as an agent multiple-employer retirement system for municipal employees in the State of Texas. The TMRS Act places the general administration and management of the System with a six-member Board of Trustees. Although the Governor, with the advice and consent of the Senate, appoints the Board, TMRS is not fiscally dependent on the State of Texas. TMRS's defined benefit pension plan is a tax-qualified plan under Section 401 (a) of the Internal Revenue Code. TMRS issues a publicly available comprehensive annual financial report that can be obtained at www.tmrs.com.

All eligible employees of the City are required to participate in TMRS.

Benefits Provided

TMRS provides retirement, disability, and death benefits. Benefit provisions are adopted by the governing body of the City, within the options available in the state statutes governing TMRS.

At retirement, the benefit is calculated as if the sum of the employee's contributions, with interest, and the city-financed monetary credit with interest were used to purchase an annuity. Members may choose to receive their retirement benefit in one of seven payments options. Members may also choose to receive a portion of their benefit as a Partial Lump Sum Distribution in an amount equal to 12, 24, or 36 monthly payments, which cannot exceed 75% of the member's deposits and interest.

At the date the plan began, the City granted monetary credits for service rendered before the plan began of a theoretical amount equal to two times what would have been contributed by the employee, with interest, prior to establishment of the plan. Monetary credit for service since the plan began are 200% of the employee's accumulated contributions. In addition, the City granted another type of monetary credit referred to as an updated service credit which is a theoretical amount which, when added to the employee's accumulated contributions and the monetary credits for service since the plan began, would be the total monetary credits and employee contributions accumulated with interest if the current employee contribution rate and City matching percent had always been in existence and if the employee's salary had always been the average of his/her salary in the last three years that are one year before the effective date. At retirement, the benefit is calculated as if the sum of the employee's accumulated contributions with interest and the employer-financed monetary credits with interest were used to purchase an annuity.

A summary of the plan provisions for the City are as follows:

Employee deposit rate	7%
Matching ratio (City to employee)	2 to 1
Years required to vesting	5
Service retirement eligibility	age 60 with five or more years of service or with 20 years of service regardless of age

At the December 31, 2019 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	1,503
Inactive employees entitled to but not yet receiving benefits	700
Active employees	2,051
	4,254

Contributions

The contribution rate for employees in TMRS are either 5%, 6%, or 7% of employee gross earnings, and the city matching percentages are either 100%, 150%, or 200%, both as adopted by the governing body of the city. Under the state law governing TMRS, the contribution rate for each city is determined annually by the actuary, using the Entry Age Normal (EAN) actuarial cost method. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

Employees of the City were required to contribute 7% of their annual gross earnings during the fiscal year. The contribution rates for the City were 11.00% and 11.24% in calendar years 2019 and 2020, respectively. The City's contributions to TMRS for fiscal year 2020, were $17,978,839, and were equal to the required contributions.

Net Pension Liability

The City's Net Pension Liability (NPL) was measured as of December 31, 2019, and the Total Pension Liability (TPL) used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date.

Actuarial assumptions:

The Total Pension Liability in the December 31, 2019 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.5% per year
Overall payroll growth	2.75% per year
Investment rate of return	6.75%, net of pension plan investment expense, including inflation

Salary increases were based on service-related table. Mortality rates for active members, retirees, and beneficiaries were based on the PUB (10) mortality tables with the Public Safety table used for males and the General Employee table used for females. Mortality rates for healthy retirees and beneficiaries are based on the Gender-distinct 2019 Municipal Retirees of Texas mortality tables. The rates for actives, healthy retirees and beneficiaries are projected on a fully generational basis by Scale UMP to account for future mortality improvements. For disabled annuitants, the same mortality tables for healthy retirees is used with a 4-year set-forward for males and a 3-year set-forward for females. In addition, a 3.5% and 3.0% minimum 16 mortality rate is applied, for males and females respectively, to reflect the impairment for younger members who become disabled. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements subject to the floor.

The actuarial assumptions were developed primarily from the actuarial investigation of the experience of TMRS over a four year period from December 31, 2014 to December 31, 2018. They were adopted in 2019 and first used in the December 31, 2019 actuarial valuation. The post-retirement mortality assumption for Annuity Purchase Rate (APRs) are based on the Mortality Experience Investigation Study covering 2009 thru 2011 and dated December 31, 2013. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income in order to satisfy the short-term and long-term funding needs of TMRS.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. In determining their best estimate of a recommended investment return assumption under the various alternative asset allocation portfolios, GRS focused on the area between (1) arithmetic mean (aggressive) without an adjustment for time (conservative) and (2) the geometric mean (conservative) with an adjustment for time (aggressive). The target allocation and best estimates of real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation		Long-Term Expected Real Rate of Return (Arithmetic)	
Global Equity	30.0	%	5.30	%
Core Fixed Income	10.0		1.25	
Non-Core Fixed Income	20.0		4.14	
Real Return	10.0		3.85	
Real Estate	10.0		4.00	
Absolute Return	10.0		3.48	
Private Equity	10.0		7.75	
Total	100.0	%		

Discount Rate

The discount rate used to measure the Total Pension Liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rates specified in statute. Based on that assumption, the pension plan's Fiduciary Net Position was projected to be available to make all projected future benefits payments to current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all period of projected benefit payments to determine the Total Pension Liability.

Changes in the Net Pension Liability

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) – (b)
Balance at December 31, 2018	$ 991,365,092	$ 903,517,100	$ 87,847,992
Changes for the year:			
Service Cost	24,406,916		24,406,916
Interest (on the total pension liability)	66,121,119		66,121,119
Difference between expected and actual experience	2,799,800		2,799,800
Changes in assumptions	1,605,156		1,605,156
Benefit payments, including refunds of employee contributions	(47,992,826)	(47,992,826)	-
Contributions-employer		16,995,099	(16,995,099)
Contributions – employee		11,021,733	(11,021,733)
Net investment income		139,604,497	(139,604,497)
Administrative expense		(789,265)	789,265
Other		(23,709)	23,709
Net changes	46,940,165	118,815,529	(71,875,364)
Balance at December 31, 2019	$1,038,305,257	$ 1,022,332,629	$ 15,972,628

Sensitivity of the net pension liability to changes in the discount rate

The following presents the net pension liability of the City, calculated using the discount rate of 6.75%, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.75%) or 1-percentage-point higher (7.75%) than the current rate:

1% Decrease 5.75%	Current Single Rate Assumption 6.75%	1 % Increase 7.75%
$ 142,137,959	$ 15,972,628	$ (90,032,675)

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's Fiduciary Net Position is available in a separately-issued TMRS financial report. That report may be obtained on the internet at www.tmrs.com.

Pension Expense and Deferred Outflows of Resources and Deferred Inflow of Resources Related to Pensions

For the year ended September 30, 2020, the City recognized pension expense of $24,044,583.

At September 30, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual economic experience	$ 3,197,226	$ (455,355)
Difference in assumption changes	2,442,217	-
Difference between projected and actual investment earnings on pension plan investments	-	(31,525,765)
Employer contributions subsequent to the measurement date	13,587,270	-
	$ 19,226,713	$ (31,981,120)

Deferred outflows of resources of $13,587,270 related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ending September 30, 2021. Other amounts reported as deferred outflows and inflows or resources related to OPEB will be recognized in OPEB expense as follows:

Year ended September 30,	
2021	$ (7,340,386)
2022	(8,042,239)
2023	3,878,323
2024	(14,837,375)
Total	$ (26,341,677)

G. Other postemployment benefits

City of Garland other postemployment benefit plan

Plan Description

The City makes available health care benefits to all employees who work for the City of Garland a minimum of five years, meet the Texas Municipal Retirement System (TMRS) criteria listed on page 71, and elect coverage at the time of retirement and maintain continuous, uninterrupted coverage. Benefit provisions are established by management and funding is approved by City Council annually, during the budget process.

In 2008, the City established an irrevocable trust fund in an effort to begin funding the actuarial determined OPEB unfunded liability and to ensure that funding is available in the future for retiree medical benefits. In 2020, the City Council approved a transfer of $1,420,000 to the trust, and a long-term funding strategy was implemented to increase the annual contribution to this trust with a goal of fully funding the annual OPEB obligation after ten years.

The OPEB trust investments are held in the Public Agencies Retirement Services (PARS) Post-retirement Health Care Plan Trust by its trustee, US Bank. US Bank has delegated investment management responsibilities to HighMark Capital Management, Inc. (Investment Manager), a SEC-registered investment advisor. The Trust investment guideline mandates a diversified portfolio designed to generate long-term returns that, when combined with contributions, will result in sufficient assets to pay future obligation associated with the retiree health plan.

Benefits Provided

The City of Garland provides insurance to eligible pre-65 retirees, their spouses and dependents through the City's self-insured group health plan. Post-65 retirees are offered a fully insured Medicare Supplement Plan through Hartford, who assumes all claims risk liability on this group of retirees. The City makes contributions towards retiree health care benefits. However, the City reduces its liability and risk by capping the annual increase to the City contribution to a maximum of 3% per year. For FY2020, the monthly City contribution per participant for the retiree group as a whole was $487.

As of December 31, 2019 biennial actuarial valuation, the Plan's membership consisted of the following:

Number of plan members	Medical
Retirees and dependents currently receiving benefits	296
Inactive members entitled to benefits, but not yet receiving them	482
Active members	1,902
Total	2,680

Contributions and Funding Policy

The City has the authority to establish and amend the Plan contributions. The City makes an annual contribution to the Trust fund; the funding is established and approved by City Council as part of the City budget process. For the year ended September 30, 2020, the City's average contribution rate was 4.15 percent of the covered payroll. Monthly retiree premiums are utilized to fund current medical claims and are based on the benefit election of the Plan member.

Net OPEB Liability

The City's net OPEB liability was measured as of December 31, 2019, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date, which was rolled forward using standard update procedures to determine the September 30, 2020, net OPEB liability.

Actuarial assumptions

Actuarial Valuation Date	12/31/2019
Actuarial Cost Method	Entry Age Normal
Asset valuation method	Market value
Inflation	2.50%
Projected salary increase	3.00%
Discount rate	4.02%
Healthcare cost trend rates	All years capped at 3.0%
Mortality	Combined RP-2014 Dynamic table projected using MP-2019 representative rates per thousand for the RP-2014 mortality table

Rate of Return

The long-term expected rate of return on OPEB plan investments will be managed on a total return basis which takes into consideration both investment income and capital appreciation. The target allocation and best estimates of real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation		Long-Term Expected Real Rate of Return (Geometric)	
Large Cap	30.59	%	7.50	%
Mid Cap	3.38		7.80	
Small Cap	5.62		8.70	
International	6.04		7.80	
Emerging Markets	4.25		7.80	
Real Estate	.95		6.70	
Short Term Bond	9.65		3.30	
Intermediate Term Bond	38.63		4.10	
Cash	.89		2.40	
Total	100.00	%		

The long-term expected rate of return is 6.33%. The expected return is determined through a combination of historical rates of return, valuation projections, and economic expectations.

Discount rate

The discount rate used to measure the Total OPEB Liability was 4.02%. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rates specified in statute. Based on that assumption, the OPEB plan's Fiduciary Net Position was projected to be available to make all projected future benefits payments to current active and inactive employees. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all period of projected benefit payments to determine the total OPEB liability.

The discount rate for the 12/31/2019 measurement was 4.02% which caused an actuarial loss. The discount rate for the 12/31/2018 measurement was 4.63%. The discount rate incorporates a municipal bond rate of 2.75%, sourced from the Fidelity Municipal GO AA 20 year index.

Changes in the Net OPEB Liability

	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) – (b)
Balance at December 31, 2018	$75,048,061	$ 6,559,916	$ 68,488,145
Changes for the year:			
Service Cost	3,024,066	-	3,024,066
Interest (on the total OPEB liability)	3,403,827	-	3,403,827
Difference between expected and actual experience	8,472,720	-	8,472,720
Change in assumptions	1,369,232	-	1,369,232
Benefit payments, including refunds of employee contributions	(4,894,085)	(4,894,085)	-
Contributions-employer	-	6,314,085	(6,314,085)
Net investment income	-	1,218,881	(1,218,881)
Administrative expense	-	(40,759)	40,759
Net changes	11,375,760	2,598,122	8,777,638
Balance at December 31, 2019	$86,423,821	$ 9,158,038	$ 77,265,783

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

The following presents the net OPEB liability of the City, calculated using the discount rate of 4.02%, as well as what the City's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.02%) or 1-percentage-point higher (5.02%) than the current rate:

1% Decrease 3.02%	Current Single Rate Assumption 4.02%	1 % Increase 5.02%
$ 90,154,475	$ 77,265,783	$ 66,827,288

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rate

The following presents the net OPEB liability of the City, calculated using the discount rate of 4.02% as well as what the City's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage point lower or 1-percentage point higher than the current healthcare cost trend rate:

1% Decrease 2.0%	Current Single Rate Assumption 3.0%	1 % Increase 4.0%
$ 65,902,952	$ 77,265,783	$ 91,443,317

OPEB Plan Fiduciary Net Position

The Plan is a single-employer defined benefit plan and does not issue a publicly available financial report.

OPEB Expense and Deferred Outflows of Resources and Deferred Inflow of Resources Related to OPEB

For the year ended September 30, 2020, the City recognized OPEB expense of $8,109,928.

At September 30, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual economic experience	$ 7,605,532	$ (421,509)
Difference in assumption changes	3,364,531	(3,141,434)
Difference between projected and actual investment earnings on pension plan investments	-	(251,273)
Employer contributions subsequent to the measurement date	3,995,874	-
	$ 14,965,937	$ (3,814,216)

Deferred outflows of resources of $3,995,874 related to OPEB resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability for the year ending September 30, 2021. Other amounts reported as deferred outflows and inflows or resources related to pensions will be recognized in OPEB expense as follows:

Year ended September 30,	
2021	$ 2,200,734
2022	1,470,684
2023	1,575,089
2024	1,909,340
Total	$ 7,155,847

Supplemental Death Benefits Plan (SDBF)

Texas Municipal Retirement System (TMRS) administers a defined benefit group-term life insurance plan known as Supplemental Death Benefits Fund (SDBF). This is a voluntary program in which participating member cities may elect, by ordinance, to provide group-term life insurance coverage for their active members and retirees. The death benefit for active employees provides a lump-sum payment approximately equal to the employee's annual salary (calculated based on the employee's actual earnings, for the 12-month period preceding the month of death). The death benefit for retirees is considered an other postemployment benefit (OPEB) and is a fixed amount of $7,500. As the SDBF covers both active and retiree participants, with no segregation of assets, the SDBF is considered to be an unfunded OPEB plan (pay as you go plan). The retiree portion of the SDBF is considered to be a single-employer, defined benefit OPEB plan.

Detail information about the SDBF OPEB plan is available in a separately-issued TMRS financial report. That report may be obtained on the internet at www.tmrs.com.

The City contributes to the SDBF at a contractually required rate as determined by an annual actuarial valuation. The rate is equal to the cost of providing one-year term life insurance. The funding policy for the SDBF program is to assure that adequate resources are available to meet all death benefit payments for the upcoming year. The intent is not to pre-fund retiree term life insurance during employee's entire careers. The SDBF contribution rate for retirees is .04%.

As of December 31, 2019, membership in the plan consisted of the following:

Inactive employees currently receiving benefits	1,146
Inactive members entitled to benefits, but not yet receiving them	205
Active members	2,051
Total	3,402

The City's OPEB liability is measured as of December 31, 2019, and the total OPEB liability was determined by an actuarial valuation as of December 31, 2019.

Actuarial Assumptions

Inflation	2.5%
Salary increases	3.5% to 11.5% including inflation
Discount rate	2.75%
Retirees' share of benefit-related costs	$0
Administrative expenses	All administrative expenses are paid through the Pension Trust and accounted for under reporting requirements under GASB Statement No. 68.
Mortality rates-service retirees	The Gender-distinct 2019 Municipal Retirees of Texas mortality tables. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements. Based on the size of the city, rates are multiplied by an additional factor of 100.0%.
Mortality rates-disabled retirees	The mortality tables for healthy retirees is used with a 4 year set-forward for males and a 3 year set-forward for females. In addition, a 3.5% and 3% minimum mortality rate will be applied to reflect the impairment for younger members who become disabled for males and females, respectively. The rates are projected on a fully generational basis of Scale UMP to account for future mortality improvements subject to the floor.

Discount rate: For plans that do not have formal assets, the discount rate should equal the tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of measurement date. The municipal bond rate is 2.75% (based on the daily rate closest to but not later than the measurement date of the Fidelity "20-Year Municipal GO AA index").

Changes in Total OPEB Liability

Beginning at December 31, 2018	$ 7,622,953
Service Cost	236,042
Interest on the total OPEB liability	286,023
Differences between expected and actual experience	(966,665)
Change in assumptions	1,259,391
Benefit payments	(62,945)
Net change in total OPEB liability	751,846
Ending at December 31, 2019	$ 8,374,799

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the Total OPEB liability of the City, calculated using the discount rate of 2.75%, as well as what the City's Total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.75%) or 1-percentage-point higher (3.75%) than the current rate:

1% Decrease	Current Discount Rate Assumption	1 % Increase
1.75%	2.75%	3.75%
$10,025,475	$ 8,374,799	$ 7,073,955

OPEB Expense and Deferred Outflows of Resources Related to OPEB

For the year ended September 30, 2020, the City recognized OPEB expense of $660,214.

At September 30, 2020, the City reported deferred outflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 337,592	$ (809,993)
Difference in assumption changes	1,336,672	(322,432)
Employer contributions subsequent to the measurement date	49,274	-
	$ 1,723,538	$ (1,132,425)

Deferred outflows of resources of $49,274 related to OPEB resulting from retiree contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability for the year ending September 30, 2021. Other amounts reported as deferred outflows and inflows or resources related to pensions will be recognized in OPEB expense as follows:

Year ended September 30,	
2021	$ 138,147
2022	138,147
2023	138,147
2024	71,066
2025	48,266
Thereafter	8,066
Total	$ 541,839

H. Self-Insurance

Self-insurance for general and auto liability exposure and workers' compensation is maintained in the Self-Insurance Fund of the Internal Service Fund. A private insurance company administers workers' compensation claims and losses for the City. Self-insurance premiums of $5,556,660 were collected from funds that participate in these. Claims settlement and loss expenses are accrued in the Self-Insurance Fund for the estimated settlement value of claims reported and incurred but not reported arising from incidents during the period. A liability, insurance claims payable, has been established. The reported liability includes actuarially determined present value projected losses for general, auto, and workers' compensation exposure. In determining projected losses, coverages with material incurred losses were compared to expected industry loss levels for prior periods. Based on this comparison, an experience modifier was selected and applied to current indicated industry premiums per exposure unit to obtain expected losses as of September 30, 2020, at the selected per occurrence limits. Based on a current independent actuarial analysis completed in December 2020 claims payable as of September 30, 2020 was estimated at $6,438,074.

Long-Term Disability (LTD) claims are paid from the LTD Insurance Fund, which is funded with City and employee contributions. A private company administers the long-term disability claims and losses for the City. Based on a current independent actuarial analysis, an actuarially determined liability of $2,863,759 has been established for projected future claims.

Group medical benefits are paid from the Group Health Fund, which has an annually negotiated stop loss provision. Revenues are recognized from payroll deductions for employee dependent coverage and from City contributions for employee coverage. At September 30, 2020, a short-term liability of $2,268,697 was recognized for open claims and claims incurred but not reported. The claims incurred but not reported are calculated based on a monthly average for claims paid during the current fiscal year.

There were no significant reductions in insurance coverage in the current year from coverage in the prior year, nor have there been any settlements that have exceeded insurance coverage for each of the past three fiscal years.

Changes in the self-insurance, long-term disability and group health insurance claims payable in fiscal years 2019 and 2020 were:

Internal Service Fund	Beginning of Fiscal Year Liability	Current Year Claims	Changes in Estimates	Claim Payments	Balance at Fiscal Year – End	Current Portion
Self-Insurance – 2019	$ 6,500,950	$ 914,694	$ -	$ 914,694	$ 6,500,950	$ 2,774,500
Self-Insurance – 2020	6,500,950	430,121	(62,876)	430,121	6,438,074	2,774,500
Long-Term Disability – 2019	3,112,604	327,047	-	327,047	3,112,604	490,000
Long-Term Disability – 2020	3,112,604	157,563	(248,845)	157,563	2,863,759	490,000
Group Health – 2019	2,223,841	23,789,343	310,016	23,789,343	2,533,857	2,533,857
Group Health – 2020	2,533,857	26,237,112	(265,160)	26,237,112	2,268,697	2,268,697

I. Texas Municipal Power Agency

The Texas Municipal Power Agency (TMPA) was created in 1975 pursuant to legislation that was passed by the 64th Legislative Session. TMPA, a municipal corporation, is governed by a Board of Directors, where each member city appoints two representatives to the Board. In 1976, the City along with the cities of Bryan, Denton, and Greenville (collectively "the Cities") entered into identical Power Sales Contracts with TMPA. Under the Power Sales Contracts each member city is required to purchase all future power and energy requirements in excess of the amounts generated by their systems from TMPA at rates set to cover TMPA's operating cost and retirement of debt. In the event that revenues are insufficient to cover all costs to retire the outstanding debt, each of the member cities has guaranteed a portion of the unpaid debt based on a percentage. The City's percentage requirement was 47%. On September 1, 2018, TMPA made the final debt service payment on its generation debt, which extinguished the City's obligation with respect to such debt. With the extinguishment of TMPA's generation debt and the election of the Cities to not extend the Power Sales Contract beyond September 30, 2018, the Power Sales Contract expired. Each of the Cities has the right to enter into a new power sales contract with TMPA; however, none of the Cities have exercised this right.

TMPA and the Cities entered into a Joint Operating Agreement (JOA) effective September 1, 2016. The JOA represents the post-Power Sales Contract plans for TMPA and the Cities. The JOA divides TMPA assets and operations into three business categories – generation, transmission, and mining.

During FY2020, the City paid TMPA $3,400,543 for charges related to ongoing operations and $4,152,125 related to the decommissioning liability.

Total debt of TMPA at September 30, 2020, amounted to $213,665,000 of which $4,580,000 represented the current portion. TMPA's outstanding long-term debt and short-term debt obligations are all associated with TMPA's transmission system and are payable from and secured by TMPA's transmission net revenues.

TMPA
Outstanding Debt Amounts
September 30, 2020
(reported in thousands)

	Long-Term	Current	Total
Revenue Bonds	$ 177,985	$ 4,580	$ 182,565
Tax Exempt Commercial Paper	31,100	-	31,100
	$ 209,085	$ 4,580	$ 213,665

Prepaid Energy Costs, Impairment of Prepaid Energy Costs, and Regulatory Assets

On March 1, 2010, the City issued Combination Tax & Electric Utility System Revenue Refunding Bonds, Series 2010 with a maturity of 20 years for the purpose of prepaying certain contractual obligations to TMPA. The principal amount of the bonds was $126,885,000 with a reoffering premium and other bond issuance costs of $11,367,850 for a total of $138,252,850. Since the proceeds of this debt issuance were placed with TMPA and the City received an economic benefit over a period of years, an Other Asset was recorded in the Electric Fund Statement of Net Position in the amount of $138,252,850. The City is amortizing the Other Asset over a period of 20 years with a half year convention.

On September 30, 2017, the City impaired 37.9% of the generation portion of the Other Assets, for a total of $50,045,780. The impaired portion was recorded as a GASB 62 Regulatory Asset in Others Assets to be amortized through FY2030.

On September 30, 2018, the City impaired the remaining portion of the Other Asset when ERCOT was notified of the plan to suspend operations indefinitely. This notification was submitted to ERCOT on December 21, 2018. The impaired portion was recorded as a GASB 62 Regulatory Asset in Other Assets to be amortized through FY2030.

On June 28, 2019, ERCOT was notified of the plan to move TMPA's generation plant, Gibbons Creek, to a status of decommissioned and retired. The official effective date was October 23, 2019. These actions triggered TMPA to record a decommissioning liability and corresponding discounted receivable from the member cities. As of September 30, 2019, the recorded discounted receivable was $106,402,427 of which each member city is responsible for its share. The City's allocated share of TMPA's decommissioning liability is 47.3%. On September 30, 2019, the City recorded a Regulatory Asset in the amount of $50,328,348. Of this amount, $39,096,963 is associated with the decommissioning obligation and $11,231,385 is associated with the ongoing maintenance. Decommissioning is estimated to take 5 years and the related maintenance is estimated to be completed after 30 years. A liability was recognized at September 30, 2019. The Regulatory Asset will be amortized in future period when its costs as included in electric rates. See page 70 for further information regarding the liability due to TMPA.

To qualify to utilize GASB 62, the following must apply:

- The regulated business-type activity's rate for regulated services provided to its customers are established by or are subject to approval of an independent, third-party regulator or by its own governing board empowered by statute or contract to establish rates that bind customers.
- The regulated rates are designed to recover the specific regulated business-type activity's costs of providing the regulated services.
- In view of the demand for the regulated services or products and the level of competition, direct and indirect, it is reasonable to assume that rates set at levels that will recover the regulated business-type activity's costs can be charged to and collected from customers. This criterion requires consideration of anticipated changes in levels of demand or competition during the recovery period for any capitalized costs.

The City of Garland qualifies to utilize GASB 62 due to:

- State and local statues empower the City of Garland City Council to establish retail rates.
- The City of Garland specific costs are recovered through City of Garland retail rates.
- Current and projected customer demand support the recovery of City of Garland cost of service.

	Transmission	GASB 62 TMPA PPD Demand Regulatory Asset	GASB 62 Decommissioning Regulatory Asset	Total Other Asset
Balance Sept. 30, 2019	$ 4,869,043	$ 67,713,704	$ 50,328,348	$ 122,911,095
Other asset amortization	(463,718)	(6,448,924)	(7,927,404)	(14,840,046)
	4,405,325	61,264,780	42,400,944	108,071,049
GASB 62 regulatory asset TMPA Decommissioning	-	-	828,706	828,706
Balance Sept 30, 2020	$ 4,405,325	$ 61,264,780	$ 43,229,650	$ 108,899,755

Financial statements for TMPA are available from the TMPA website texasmpa.org or through the City of Garland Financial Services Department.

J. Deferred Compensation Plan

The City offers its employees a voluntary deferred compensation plan created in accordance with Internal Revenue Code Section 457. The deferred compensation plan, available to all permanent City employees, permits participants to contribute annually the amount per IRS limitations on a tax-deferred basis up to the annual contribution limit allowed by the IRS. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

All amounts of compensation deferred under this plan, all property and rights purchased with those amounts, and all income attributable to these amounts, property, or rights are held in trust for the exclusive benefits of participants and their beneficiaries. Therefore, the Deferred Compensation Investments are no longer reported in the City's financial statements.

K. Conduit Debt Information

The discrete component unit was created to issue revenue bonds to provide financial assistance to qualified homeowners. Even though the bonds are outstanding, there is no liability to the City or the component unit (no commitment debt), as all liability transfers to the trustee of the bond issue. A summary of outstanding conduit bonds at December 31, 2019, is as follows:

Series	Garland Housing Finance Corporation	Total
2005	$ 11,722,555	$ 11,722,555
	$ 11,722,555	$ 11,722,555

L. Governmental Activity Component Units

The Garland Public Facility Corporation (GPFC) was organized for the purpose of assisting the City in financing, refinancing, or providing public facilities. GPFC is reported as a blended component unit in the non-major governmental fund. As of September 30, 2020, the condensed combining information for GPFC is $3,521,016 for contributed land reported in governmental activities on the government wide statement of net position and statement of activities.

The Garland Foundation for Development (GFFD) was organized to promote economic development within the City of Garland. GFFD is reported as a blended component unit in the non-major governmental fund. As of September 30, 2020, the condensed combining information for GFFD is $8,851,888 for contributed land reported in governmental activities on the government wide statement of net position and statement of activities.

M. Landfill Closure and Postclosure Care Cost

As of September 30, 2020, the total estimated landfill closure/postclosure cost for the City's Castle Drive landfill, Hinton landfill, and transfer station is $2,131,143, $39,662,919 and $36,556 respectively. The $15,741,717 reported as landfill closure and postclosure care liability represents the cumulative amount reported to date based on the use of 100% of the estimated capacity of the Castle landfill, 36.55% use of the Hinton landfill, 100% of the closure cost for the transfer station, less post closure expenditures to date of $921,267. The City will recognize the remaining estimated closure and postclosure care costs of $25,167,634 as the percentage of capacity depletion increases. These amounts are based on an engineering study performed in 1996 and updated in 2015, which estimated cost to perform all closure and postclosure care. In addition, the closure and postclosure care cost were adjusted for inflation annually based on the most recent Implicit Price Deflator for Gross National Product published by the United States Department of Commerce. Actual cost may differ from the estimate due to inflation, changes in technology, or regulatory changes. The Hinton landfill has an estimated remaining useful life of 30.2 years.

Since the City's Landfill operation is a general government function, a special revenue fund was established to account for actual landfill closure and postclosure care funding sources and expenditures as they are incurred. Based on the City's current landfill closure financial strategy, $2.4 million in Certificates of Obligation will be issued to finance the one time closure cost and the on-going post closure care will be paid from operating funds.

N. Economic Incentives and Tax Abatements

The City enters into economic development and tax abatement agreements in order to spur commercial activity, generate additional sales tax revenue, enhance the property tax base, and provide increased economic vitality to the City. All abatement projects meet a minimum threshold point total based on full-time jobs, annual payroll, value of new or remodeled facilities, value of machinery and equipment, value of inventory, annual sales tax generated, or Garland Power & Light electric usage. All abatements must be approved on a case-by-case basis negotiated by City staff and approved by the City Council. Recipients receiving assistance generally commit to building or remodeling real property and related infrastructure, expanding operations, renewing facility leases and bringing targeted businesses to the City. Recipients are largely required to meet and maintain minimum thresholds of real and personal property values, full time employees, number of tenants or other provisions specific to an individual recipient. Agreements are generally made for a minimum of five years and generally contain recapture provisions which may require repayment or termination if a recipient fails to meet the required provisions.

The City has two categories of economic development agreements:

Tax Abatements – Under Chapter 312 of the Texas Tax Code the City is allowed to designate tax reinvestment zones and negotiate tax abatement agreements with applicants within these zones. The abatement agreements authorize the appraisal districts to reduce the assessed value of the taxpayer's property by a percentage specified in the agreement, and the taxpayer will pay taxes on the lower assessed value during the term of the agreement. A summary of Chapter 312 Tax Abatements for the year ended September 30, 2020, is as follows:

Abatement Type	Active Agreements	Total Taxes Abated FY20
Ad Valorem Tax	4	$ -
Business Personal Property Tax	7	66,653

Tax Rebates – Under Chapter 380 of the Texas Local Government Code, the City is allowed to enter into agreements in order to stimulate economic activity. These agreements may rebate a flat amount or percentage of real property, personal property or sales taxes received by the City. A summary of Chapter 380 tax rebates for the year ended September 30, 2020 is as follows:

Abatement Type	Active Agreements	Total Taxes abated FY20
Ad Valorem Tax	4	$ 259,537
Business Personal Property Tax	4	67,284
Sales Tax	7	1,042,503

O. Commitments and Contingent Liabilities

The City has been named as a defendant or co-defendant in a number of personal injury cases. While the outcome of these cases is not known at this time, the City attorney and City management are of the opinion that any awards to injured parties which must be paid in excess of amounts covered by insurance will not be material to the financial position of the City.

A number of other claims against the City, as well as certain other matters of litigation, are pending with respect to various matters arising in the normal course of the City's operations. The City attorney and City management are of the opinion that the settlement of these other claims and pending litigation will not have a material adverse impact on the City's financial position.

The City participates in a number of State and federally assisted grant programs. These programs are subject to program compliance audits by the grantors or their representatives. Any liability for reimbursement that may arise as the result of these audits is not believed to be material.

On December 19, 2013, the City entered into a twenty (20) year energy purchase power agreement with Spinning Spur Wind Three, LLC. The agreement extends from the start hour 1:00 of the Commercial Operation Date and ends at the completion of hour 24:00 of the day immediately preceding the twentieth (20) anniversary. The City purchases 26% of the output from the 194MW facility. Commercial Operations began September 28, 2015.

On August 28, 2014, the City entered into a twenty-five (25) year energy purchase power agreement with Los Vientos Windpower V, LLC. The agreement extends from the start of hour 1:00 of the Commercial Operation Date and ends at the completion of hour 24:00 of the day immediately preceding the twenty-fifth (25) anniversary. The City purchases 45.96% of the output from the 110MW facility. Commercial Operations began December 23, 2015.

On June 12, 2015, the City entered into a fourteen (14) year energy purchase power agreement with Salt Fork Wind, LLC. The agreement extends from the start of hour 1:00 (CPT) of the Commercial Operation Date and ends at the completion of hour 24:00 (CPT) of the day immediately preceding the fourteenth (14^{th}) anniversary. The City purchases up to 150MW from the facility. The City has contracts to sell 77% of this energy downstream. Commercial Operations began December 1, 2016.

On October 27, 2015, the City entered into a twenty (20) year energy purchase power agreement with Albercas Wind Energy II, LLC. From the effective date, the agreement extends until 23:59:59 (CPT) on the day prior to the 20th anniversary of the Commercial Operation Date. The City purchases up to 96MW from the facility. The City has contracts to sell 74% of this energy downstream. Commercial Operations began November 13, 2016.

On December 28, 2015, the City entered into a fifteen (15) year energy purchase power agreement with BNB Lemesa Solar LLC. The agreement extends from the start of hour 1:00 (CPT) of the Commercial Operation Date and ends at the completion of hour 24:00 (CPT) of the day immediately preceding the fifteenth (15th) anniversary. The Commercial Operation Date is anticipated to be no later than March 31, 2017. The City will purchase 102 MW from the facility. The City has contracts to sell 49% of this energy downstream. Commercial Operations began April 27, 2017.

On November 20, 2018, the City entered into renewable purchase power agreement with Engie Long Draw Solar LLC. The agreement extends fifteen (15) years following the Commercial Operation Date. The City will purchase up to 25 MW from the facility. Commercial Operations began December 11, 2020.

On December 11, 2018, the City entered into a renewable purchase power agreement with Concho Bluff LLC. The agreement extends fifteen (15) years following the Commercial Date. The original Commercial Operation Date is anticipated to be no later than December 21, 2020. The City will purchase up to 50 MW from the facility.

On April 12, 2019, the City entered into renewable purchase power agreement with Samson Solar Energy, LLC. The agreement extends fifteen (15) years following the Commercial Date. The Commercial Operation Date is anticipated to be no later than June 1, 2022. The City will purchase up to 20MW from the facility.

The City executed confirmations through December 31, 2026, under its International Swaps and Derivatives Association Inc. (ISDA) Master Agreement to purchase electricity under specific terms and conditions. Management believes the purchase of electricity under the specific terms and conditions of the confirmation were for normal purchases/normal sales and non-speculative in nature.

P. Derivative Instruments

In an effort to mitigate the financial and market risk associated with the purchase of natural gas, energy, and congestion price volatility, the City has established a Risk Management Program. This program was authorized by the City Council and is led by the Risk Oversight Committee. Under this program, the City enters into forward contracts for natural gas and energy for the purpose of reducing exposure to natural gas and energy price risk. Use of these types of instruments for the purpose of reducing exposure to price risk is performed as a hedging activity. These contracts may be settled in cash or delivery of certain commodities. The City typically settles these contracts by delivery of certain commodities.

The City applies GASB Statement No 53 – *Accounting and Financial Reporting for Derivative Instruments*, ("GASB 53"), which addresses the recognition, measurement, and disclosures related to derivative instruments. The City utilizes natural gas commodity swaps to hedge its exposure to fluctuating fuel prices. Since these derivatives are entered into for risk mitigation purposes, the instruments are considered potential hedging derivative instruments under GASB 53. The City evaluated all potential hedging derivative instruments for effectiveness utilizing the consistent critical terms method as or September 30, 2020, and as of September 30, 2019, and determined the derivatives to be effective in substantially offsetting the change in cash flows of the hedgeable items. These derivatives act as cash flow hedges.

At September 30, 2020, the total fair value of outstanding hedge instruments was a net liability of $18,838. Fuel hedging instruments with a fair value of $13,840 are classified on the Statement of Net Position as a non-current asset. Fuel hedges with a fair value of $32,679 are classified on the Statement of Net Position as a current liability. As of September 30, 2019, the total fair value of outstanding hedge instruments was a net liability of $1,484,088. Fuel hedging instruments with a fair value of $968,234 are classified on the Statement of Net Position as a current liability. Long-term fuel hedges with a fair value of $515,854 are classified as a component of long-term liabilities. Changes in fair value as of September 30, 2020, of $497,015 are reflected in deferred inflows. The following information details the City Electric Fund's hedging derivative instruments below:

Derivative transactions as of September 2020:

Type	Terms	Notional Amount (MMBtu)	Purchase Dates	Maturity Dates	Referenced Index	Fair Value
Commodity Swaps	City pays prices of $2.558 - $2.857	1,500,666	Mar 2017-Dec 2019	Oct 2020-Dec 2021	NYMEX	$(18,838)
		1,500,666				$(18,838)

Derivative transactions as of September 2019:

Type	Terms	Notional Amount (MMBtu)	Purchase Dates	Maturity Dates	Referenced Index	Fair Value
Commodity Swaps	City pays prices of $2.55 - $3.54	4,230,114	May 2015-Jan 2019	Oct 2019-Dec 2021	NYMEX	$(1,484,088)
		4,230,114				$(1,484,088)

At September 30, 2020, the City had thirteen wholesale customers to provide power supply and/or qualified scheduling entity services. The contract terms extend up to November 13, 2036. For the power supply customers, the City charges an energy charge which is based on the quantity of power supplied multiplied by a fixed price, or multiplied by a fixed heat rate and a fuel index price. In order to hedge the City's risk, the City has entered into corresponding power supply agreements with counterparties to hedge against energy price or heat rate fluctuation in the market.

Congestion Revenue Rights

Pre-assigned Congestion Revenue Rights (PCRRs) and Congestion Revenue Rights (CRRs) function as financial hedges against the cost of resolving congestion in the Electric Reliability Council of Texas (ERCOT) market. These instruments allow the City to hedge expected future congestion that may arise during a certain period. CRRs are purchased at auction, annually and monthly at market value. Municipally owned utilities are granted the right to purchase PCRRs annually at 10-20% of the cost of CRRs. At September 30, 2020, the City held CRRs with a cost and fair market value of $1,731,065, that the City expects to use in normal operations, which is recorded as prepaid expense in the Electric fund.

Risks

Credit Risk. The City's over-the-counter agreements for natural gas and energy expose the City to credit risk. In the event of default, the City's operations will not be materially affected. However, the City does not expect the counterparties to fail to meet their obligations. The City maintains contracts with contractual provisions under the ISDA, EEI (Edison Electric Institute), and NAESB (North American Energy Standards Board) agreements. As of September 30, 2020, the City had outstanding forward purchase contracts extending through December 31, 2032, which are expected to be settled through physical delivery.

The City monitors the credit ratings of all of its counterparties to adhere to the City's Risk Management Policy. Any counterparty that does not have at least a BBB- credit rating must be approved by the Risk Oversight Committee.

The congestion revenue rights expose the City to custodial credit risk in the event of default or nonperformance by ERCOT. In the event of default or nonperformance, the City's operations will not be materially affected. However, the City does not expect ERCOT to fail in meeting their obligations as they are a regulatory entity of the State of Texas.

Basis Risk. The City could be exposed to basis risk on its fuel hedges if the expected commodity purchases being hedged will price based on a delivery point (WAHA/Katy/HSC) different than that at which the financial hedging contracts are expected to settle NYMEX (Henry Hub).

Termination Risk. Termination risk is the risk that a derivative will terminate prior to its scheduled maturity date due to a contractual event. Contractual events include illegality, tax and credit events upon merger and other events. The City's exposure to termination risk for over-the-counter agreements is minimal due to the high credit rating of the counterparties, and the contractual provisions under the ISDA, EEI, and NAESB agreements applied to these contracts. Termination risk is associated with all of the City's derivatives up to their fair value of the instrument.

Close-out Netting Arrangements. The City enters into close-out netting arrangements whenever it has entered into more than one derivative transaction with a counterparty. Under the terms of these arrangements, should one party become insolvent or otherwise default on its obligations, close-out netting provisions permit the non-defaulting party to accelerate and terminate all outstanding transactions and set off the transaction's fair values so that a single sum will be owed by or owed to the non-defaulting party.

Q. Asset Retirement Obligation

The City operates the Ray Olinger Power Plant. The 400-megawatt, gas-fired plant consists of four power generating units: three stream boilers and one turbine. In 2019, the City hired an outside engineering firm to access the environmental obligations and closure requirements in the event of a plant closure. It was determined that the four evaporation ponds and the above ground storage tank at the Olinger Power Plant are considered to be industrial solid waste management units subject to TCEQ closure requirements. The total cost was estimated to be $480,322. The City is estimating the life of the plant to be 13 years.

	Balance at Oct. 1, 2019	Additions	Amortization	Balance at Sept. 30, 2020
ARO Deferred Outflow	$ 420,750	$ 6,725	$ 30,534	$ 396,941

	Balance at Oct. 1, 2019	Additions	Reductions	Balance at Sept. 30, 2020
ARO Liability	$ 480,322	$ 6,725	$ -	$ 487,047

R. Subsequent Events

On February 2, 2021, the City approved an ordinance to call $24,860,000 of Tax Anticipation Note, Series 2020 to be called on February 15, 2021.

On February 10, 2021, the sale of the TMPA Gibbons Creek power plant was completed. The transaction was approved by the TMPA board and four member cities in a series of board meetings and city council meetings held throughout January 2021. The sale include 6,166 acres which includes the closed Gibbons Creek power plant, the 3,500 acre reservoir, dam, and spillway. The purchaser, Charah Solutions, through its subsidiary Gibbons Creek Environmental Redevelopment Group, LLC (GCERG) will be responsible for the shutdown and decommissioning of the coal power plant as well as performing all environmental remediation work for the site landfills and ash ponds. GCERG will assume all environmental liabilities and indemnify TMPA and its Member Cities.

On February 25, 2021, the City issued $52,260,000 Electric Utility System Revenue Refunding Bonds, New Series 2021 to refund $5,405,000 of outstanding Electric Utility System Revenue Bonds, Series 2011 and to refund $54,760,000 of outstanding Electric Commercial Paper notes, Series 2018. These bonds were refunding to lower the overall debt service requirements of the City and to pay the cost associated with the issuance of the Bonds. The transaction was a current refunding of outstanding debt.

On February 25, 2021, the City issued $34,725,000 Water & Sewer System Revenue Refunding Bonds, New Series 2021 refund $14,480,000 of outstanding Water & Sewer System Revenue Bonds, Series 2011 and to refund $25,850,000 of outstanding Water & Sewer Commercial Paper notes, Series 2015. These bonds were refunded to lower the overall debt service requirements of the City and to pay the cost associated with the issuance of the Bonds. The transaction was a current refunding of outstanding debt.

The State of Texas has recently experienced unprecedented freezing temperatures that put pressure on the availability of electric power within the State (the "Event"). Due to the prolonged freezing temperatures, energy demand far exceeded the generation available across the State of Texas. Additionally, the cold weather also caused some of the electric producing facilities in ERCOT to experience mechanical failures of the equipment needed to provide and distribute the energy. As a result, power outages ensured, affecting many municipally owned and privately owned utilities in the State, including the System. Due to the high demand for power and the limited availability of the power, the purchase price for power increased dramatically from February 12 to February 19, 2021. In addition, the price of natural gas, which is used as fuel for the System's electric generating facilities, increased dramatically. These energy and gas prices increases may result in utilities, including the System, needing to access their financial reserves in order to make payment for the power purchased necessary to service their customers. The City is reviewing the impact of the Event has had on the System and its financial condition. As of January 31, 2021, the System had a rate mitigation fund balance of approximately $205 million that could be accessed to help offset the financial impact of prices increases to the System and its customers and provide funds to assist the cash flow needs of the System. Based on the historical performance of ERCOT and System's customers and their timely payment to the System prior to the Event and the City's current payment calculations, the City has calculated that the financial impact related to the Event could be at least $120 million to the System. On February 24, 2021, the City is unable to predict the full scope or impact that the Event may have on the System. The City will continue to review options to address and manage the financial impact of the Event, which could include the issuance of additional revenue debt obligations to provide short term liquidity and cash flow relief, federal or state financial assistance, or other financial arrangements designed to address the need. The Net Revenues of the System are sufficient to provide the scheduled debt service on the outstanding debt of the System, including the Bonds. Additionally, the City has covenanted in the Ordinance to collect rates and charges sufficient to meet the requirements of the outstanding System debt, including the Bonds. As of February 24, 2021, The City is unable to predict what options would be pursued if any are needed.

In addition, the 88th Regular Session of the Texas Legislature (the "88th Session") is currently in session. The Governor and Lieutenant Governor of the State, among other legislators, have identified ERCOT reform and power grid stability as priorities during the 88th session as a result of the Event. The City cannot make any representations regarding what actions will be taken by the 88th Legislature and how any such actions may impact the System.

On February 24, 2021, Fitch Rating ("Fitch") announced that it was placing all Texas Public Power Utilities and Electric Cooperatives on Rating Watch Negative. As a result, the Bonds and the Previously Issued Bonds are now rated "AA-" (Rating Watch Negative) by Fitch.

On March 12, 2021, the City issued $150,000,000 Electric Utility System subordinate lien revenue notes, taxable series 2021.

City of Garland, Texas
Required Supplementary Information
General Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2020
(unaudited)

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues:				
Taxes	$ 94,407,955	$ 93,605,096	$ 93,953,402	$ 348,306
Franchise fees	7,379,861	7,373,652	7,003,961	(369,691)
Service charges	28,306,177	29,014,079	30,165,738	1,151,659
Licenses and permits	3,881,094	4,028,621	4,586,832	558,211
Earnings on investments	1,175,900	991,100	1,201,867	210,767
Intergovernmental	-	570,009	9,371,985	8,801,976
Charges for services	9,819,101	10,224,100	10,334,101	110,001
Fines and forfeits	5,287,287	3,019,513	3,362,932	343,419
Rents and concessions	791,095	506,133	499,969	(6,164)
Total revenues	151,048,470	149,332,303	160,480,787	11,148,484
Expenditures:				
Current:				
General government	12,108,558	12,309,416	12,022,287	287,129
Public safety	99,987,405	103,514,717	102,099,911	1,414,806
Public works	43,833,451	49,726,269	34,965,573	14,760,696
Culture and recreation	17,287,611	17,721,482	16,469,559	1,251,923
Public health	3,073,179	4,144,496	4,037,036	107,460
Nondepartmental	30,565,464	23,842,681	26,661,783	(2,819,102)
Total expenditures	206,855,668	211,259,061	196,256,149	15,002,912
Excess (deficit) of revenues over (under) expenditures	(55,807,198)	(61,926,758)	(35,775,362)	26,151,396
Other financing sources (uses):				
Sale of capital assets	473,829	681,249	103,276	(577,973)
Transfer in	53,664,524	54,037,020	54,900,955	863,935
Transfers out	(2,110,002)	(4,030,017)	(2,394,911)	1,635,106
Total other financing sources (uses)	52,028,351	50,688,252	52,609,320	1,921,068
Net Change in fund balances	(3,778,847)	(11,238,506)	16,833,958	28,072,464
Fund balance, beginning of year	35,821,503	35,821,503	35,821,503	-
Fund balance, end of year	$ 32,042,656	$ 24,582,997	$ 52,655,461	$ 28,072,464

See notes to required supplementary information.

City of Garland, Texas
Required Supplementary Information
Schedule of Changes in Net Pension Liability and Related Ratios
Last Six Calendar Years
(unaudited)

	2014	2015	2016	2017	2018	2019
Total Pension Liability						
Service Cost	$ 19,196,960	$ 20,067,678	$ 21,522,671	$ 22,270,032	$ 23,370,261	$ 24,406,916
Interest	54,497,988	56,833,734	57,958,342	60,506,232	63,285,856	66,121,119
Difference between expected and actual experience	(3,135,740)	(6,147,278)	84,986	928,620	892,041	2,799,800
Change of assumptions	-	15,651,656	-	-	-	1,605,156
Benefit payments, including refunds of employee contributions	(36,818,136)	(38,435,413)	(42,367,920)	(42,018,404)	(44,132,351)	(47,992,826)
Net Change in Total Pension Liability	33,741,072	47,970,377	37,198,079	41,686,480	43,415,807	46,940,165
Total Pension Liability - Beginning	787,353,277	821,094,349	869,064,726	906,262,805	947,949,285	991,365,092
Total Pension Liability - Ending	$ 821,094,349	$ 869,064,726	$ 906,262,805	$ 947,949,285	$ 991,365,092	$ 1,038,305,257
Plan Fiduciary Net Position						
Contributions - Employer	$ 14,502,416	$ 14,462,360	$ 14,265,404	$ 15,640,715	$ 16,662,812	$ 16,995,099
Contributions - Employee	9,056,479	9,304,889	9,694,895	10,035,625	10,546,061	11,021,733
Net Investment Income	45,500,705	1,220,504	54,933,203	117,621,308	(28,429,765)	139,604,497
Benefit payments, including refunds of employee contributions	(36,818,136)	(38,435,413)	(42,367,920)	(42,018,404)	(44,132,351)	(47,992,826)
Administrative Expense	(475,082)	(743,428)	(620,477)	(609,672)	(549,660)	(789,265)
Other	(39,061)	(36,717)	(33,430)	(30,898)	(28,717)	(23,709)
Net Change in Plan Fiduciary Net Position	31,727,321	(14,227,805)	35,871,675	100,638,674	(45,931,620)	118,815,529
Plan Fiduciary Net Position - Beginning	795,438,855	827,166,176	812,938,371	848,810,046	949,448,720	903,517,100
Plan Fiduciary Net Position - Ending	$ 827,166,176	$ 812,938,371	$ 848,810,046	$ 949,448,720	$ 903,517,100	$ 1,022,332,629
Net Pension Liability (Asset)	$ (6,071,827)	$ 56,126,355	$ 57,452,759	$ (1,499,435)	$ 87,847,992	$ 15,972,628
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	100.74%	93.54%	93.66%	100.16%	91.14%	98.46%
Covered Payroll	$ 129,267,431	$ 132,898,533	$ 138,498,528	$ 143,307,799	$ 150,581,579	$ 157,362,452
Net Pension Liability (Asset) as a Percentage of Covered Payroll	(4.70%)	42.23%	41.48%	(1.05%)	58.34%	10.15%

Measurement date December 31
The City of Garland implemented Statement 68 in FY2015 and a full ten-year trend is not yet available.

City of Garland, Texas
Required Supplementary Information
TMRS Schedule of Contributions
Last Six Fiscal Years
(unaudited)

	2015	2016	2017	2018	2019	2020
Actuarially Determined Contribution	$ 14,703,510	$ 15,134,606	$ 15,568,576	$ 16,665,242	$ 17,281,423	$ 17,978,839
Contributions in relation to the actuarially determined contribution	14,703,510	15,134,606	15,568,576	16,665,242	17,281,423	17,978,839
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 132,016,898	$ 142,253,130	$ 141,938,528	$ 148,461,246	$ 156,242,087	$ 160,756,322
Contributions as a percentage of covered payroll	11.14%	10.64%	10.97%	11.23%	11.06%	11.18%

Notes to Schedule of Contributions

Valuation Date:	Actuarially determined contribution rates are calculated as of December 31 and become effective in January, thirteen months later.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	26 Years
Asset Valuation Method	10 Year smoothed market; 15% soft corridor
Inflation	2.5%
Salary Increases	3.50% to 11.50% including inflation
Investment Rate of Return	6.75%
Retirement Age	Experience-based table of rates that are specific to the City's plan of benefits. Last updated for the 2019 valuation pursuant to the experience study of the period 2014 - 2018.
Mortality	2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP.

Other Information:

Notes	There were no benefit changes during the year.

The City of Garland implemented Statement 68 in FY2015 and a full ten-year trend is not yet available.

City of Garland, Texas
Required Supplementary Information
City of Garland other postemployment plan
Schedule of Changes in OPEB Liability and Related Ratios
Last Three Calendar Years
(unaudited)

	2017	2018	2019
Total OPEB Liability			
Service Cost	$ 2,260,181	$ 2,220,788	$ 3,024,066
Interest	3,284,435	3,291,786	3,403,827
Difference between expected and actual experience	(1,303,593)	917,146	8,472,720
Change of assumptions	7,017,755	(5,723,188)	1,369,232
Benefit payments, including refunds of employee contributions	(3,529,580)	(4,039,931)	(4,894,085)
Net Change in Total OPEB Liability	7,729,198	(3,333,399)	11,375,760
Total OPEB Liability - Beginning	70,652,262	78,381,460	75,048,061
Total OPEB Liability - Ending	$ 78,381,460	$ 75,048,061	$ 86,423,821
Plan Fiduciary Net Position			
Contributions - Employer	$ 4,779,579	$ 5,374,931	$ 6,314,085
Net Investment Income	527,289	(266,098)	1,218,881
Benefit payments, including refunds of employee contributions	(3,529,580)	(4,039,931)	(4,894,085)
Administrative Expense	(21,120)	(32,518)	(40,759)
Net Change in Plan Fiduciary Net Position	1,756,168	1,036,384	2,598,122
Plan Fiduciary Net Position - Beginning	3,767,364	5,523,532	6,559,916
Plan Fiduciary Net Position - Ending	$ 5,523,532	$ 6,559,916	$ 9,158,038
Net OPEB Liability	$ 72,857,928	$ 68,488,145	$ 77,265,783
Plan Fiduciary Net Position as a Percentage of Total OPEB Liability	7.00%	8.70%	10.60%
Covered Payroll	$ 177,921,683	$ 178,663,144	$ 186,115,788
Net OPEB Liability as a Percentage of Covered Payroll	40.95%	38.33%	41.50%

Measurement date December 31
The City of Garland implemented Statement 75 in FY2018 and a full ten-year trend is not yet available.

Notes to Schedule:

Changes in assumptions. The initial discount rate for the 12/31/16 measurement was 4.75%.
2017-2018: The discount rate was decreased from 4.75% to 4.14%.
2018-2019: The discount rate was increased from 4.14% to 4.63%.
2019-2020: The discount rate was decreased from 4.63% to 4.02%.

City of Garland, Texas
Required Supplementary Information
City of Garland other postemployment plan
OPEB Schedule of Contributions
Last Three Fiscal Years
(unaudited)

	2018	2019	2020
Actuarially Determined Contribution	$ 6,502,862	$ 5,391,362	$ 8,109,928
Contributions in relation to the actuarially determined contribution	5,024,715	6,632,454	6,664,631
Contribution deficiency (excess)	$ 1,478,147	$ (1,241,092)	$ 1,445,297
Covered payroll	$ 148,461,246	$ 156,242,087	$ 160,756,322
Contributions as a percentage of covered payroll	3.38%	4.24%	4.15%

Notes to Schedule of Contributions

Valuation Date:	The Actuarially Determined Contribution is the sum of the current year's normal cost plus an amount necessary to amortize the unfunded liability over a closed 19-year period. Actuarial valuation has been performed as of December 31.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	26 Years
Asset Valuation Method	Market value
Inflation	2.5%
Salary Increases	3.0%
Discount Rate	4.02%
Healthcare cost trend rates	Capped at 3.0%
Mortality	Combined RP-2014 Dynamic Table projected using MP-2019 representative rates per thousand for the RP-2014 mortality table. The mortality rates improve each year based on the mortality improvement scale MP-2019.

Other Information:

Notes

The City of Garland implemented Statement 75 in FY2018 and a full ten-year trend is not yet available.

City of Garland, Texas
Required Supplementary Information
TMRS Supplemental Death Benefit
Schedule of Changes in OPEB liability and Related Ratios
Last Three Calendar Year
(unaudited)

	2017	2018	2019
Total OPEB Liability			
Service Cost	$ 214,962	$ 255,989	$ 236,042
Interest	238,314	240,384	286,023
Difference between expected and actual experience	-	497,210	(966,665)
Change of assumptions	542,752	(474,877)	1,259,391
Benefit payments	(57,323)	(60,233)	(62,945)
Net Change in Total OPEB Liability	938,705	458,473	751,846
Total OPEB Liability - Beginning	6,225,775	7,164,480	7,622,953
Total OPEB Liability - Ending	$ 7,164,480	$ 7,622,953	$ 8,374,799
Covered Payroll	$ 143,307,799	$ 150,581,579	$ 157,362,452
Total OPEB Liability as a Percentage of Covered Payroll	5.00%	5.06%	5.32%

Measurement date December 31
The City of Garland implemented Statement 75 in FY2018 and a full ten-year trend is not yet available.

Notes to Schedule:

Changes in assumptions. The initial discount rate for the 12/31/16 measurement was 3.81%.
The discount rate for the 12/31/17 measurement was 3.31%.
The discount rate for the 12/31/18 measurement was 3.71%.
The discount rate for the 12/31/19 measurement was 2.75%.

City of Garland, Texas
Notes to Required Supplementary Information

Budgets and Budgetary Accounting

Annual appropriations for the General Fund are adopted on a basis consistent with generally accepted accounting principles. All annual appropriations lapse at fiscal year-end.

The City Charter contains the following requirements, which are adhered to by the City Council and management, regarding preparation of the annual Budget:

1. Prior to August 15, the City Manager submits to the City Council a proposed operating budget for the fiscal year commencing the following October 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted prior to September 15 to obtain taxpayer comments.
3. Prior to September 20, annual appropriations are approved through the passage of an ordinance. If the Council takes no action on or prior to such day, the budget, as submitted by the City Manager, is deemed to have been adopted by the City Council.
4. The level of control (level at which expenditures may not exceed budget) is the fund. The City Manager is authorized to transfer unexpended balances within each fund. The City Council, however, must approve any revisions in fund appropriations.

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City of Garland, Texas
Nonmajor Governmental Funds

Special Revenue Funds

Special Revenue Funds account for the proceeds of specific revenue sources that are restricted to expenditures for specific purposes. The City's funds accounted for as Special Revenue Funds are as follows:

Community Development Block Grant Fund (CDBG) – This fund is used to account for Federal grant revenues provided through the Department of Housing and Urban Development for the development of environmental and economic opportunities, principally for persons of low and moderate income.

Housing Assistance Program Fund – This fund is used to account for Federal revenues provided through the Department of Housing and Urban Development for housing assistance payments for low income tenants.

Neighborhood Services Fund – This fund is used to account for Federal, state, and local revenues to improve neighborhoods in low income areas.

Hotel/Motel Tax Fund – This fund is used to account for the receipt of hotel/motel occupancy taxes.

Impact Fees Fund – This fund is used to account for street and water impact fees charged to develop property.

Landfill Closure Fund – This fund is used to account for expenditures related to the landfill closure and postclosure care.

Police Training Fund – This fund is used to account for grant funding of police training.

Substandard Perimeter Road Fund – This fund is used to account for revenue received pending the construction of substandard perimeter roads and streets.

Narcotic Seizure Fund – This fund is used to account for awards and expenditures from assets acquired through narcotics arrests. The expenditures are restricted to law enforcement activities by state law.

CARES Act -- This fund is used to account for Federal and state revenue to assist with expenditures related to the COVID-19 pandemic.

TIF Fund – This fund is used to account for the Downtown Tax Increment Finance Fund, TIF Zone No. 1, the Interstate 30 Corridor Tax Increment Finance Fund, TIF Zone No. 2, and the Medical District Tax Increment Finance Fund, TIF Zone No. 3. These funds are used to account for revenues and expenditures incurred in administering the tax increment financing programs.

Garland Foundation for Development (GFFD) – This fund is used to account for expenses related to the promotion of economic development with the City.

City of Garland, Texas
Nonmajor Governmental Funds
Balance Sheet
September 30, 2020

	CDBG	Housing Assistance	Neighborhood Services	Hotel/Motel Tax	Impact Fees	Landfill Closure	Police Training	Substandard Perimeter Road	Narcotic Seizure	CARES Act	TIF	GFFD	Total Other Governmental Funds
Assets													
Cash and cash equivalents	$ 488,873	$ -	$ 884,093	$ 1,866,949	$ 6,978,582	$ -	$ -	$ 996,364	$ 168,740	$ -	$ 1,027,273	$ 119,170	$ 12,530,044
Investments	280,732	3,594	505,904	1,073,985	4,014,877	(196)	(835)	572,359	74,424	-	587,371	-	7,112,215
Receivables:													
Accrued interest	24	1,393	2,039	5,404	20,382	4	-	2,848	460	-	3,561	-	36,115
Accounts, net	687,230	-	3,026,155	54,237	-	-	-	-	7,911	-	-	-	3,775,533
Due from other governments	134,484	-	63,959	-	-	-	82,700	-	-	-	-	-	281,143
Assets held for resale	171,607	-	592,239	-	-	-	-	-	-	-	-	-	763,846
Total Current Assets	1,762,950	4,987	5,074,389	3,000,575	11,013,841	(192)	81,865	1,571,571	251,535	-	1,618,205	119,170	24,498,896
Restricted assets:													
Cash and cash equivalents	-	1,576,220	-	-	-	-	4,244	-	65,558	851,445	-	-	2,497,467
Investments	-	543,329	-	-	-	-	-	-	-		-	-	543,329
Total Restricted Assets	-	2,119,549	-	-	-	-	4,244	-	65,558	851,445	-	-	3,040,796
Total Assets	$ 1,762,950	$ 2,124,536	$ 5,074,389	$ 3,000,575	$ 11,013,841	$ (192)	$ 86,109	$ 1,571,571	$ 317,093	$ 851,445	$ 1,618,205	$ 119,170	$ 27,539,692
LIABILITIES													
Current liabilities:													
Accounts payable and accrued liabilities	$ 122,590	$ 127,201	$ 291,334	$ 25,148	$ 3,695	$ 3,020	$ -	$ -	$ 290	$ 91,533	$ 51,762	$ -	$ 716,573
Accrued interest-COs	-	-	-	-	-	-	-	-	-	-	6,159		6,159
Due to other funds	-	-	-	-	-	6,918	64,967	-	-	-	-	-	71,885
Escrow payable	-	-	-	-	318,591	-	-	-	121,493	-	-	-	440,084
Unearned revenues	858,836	-	3,618,394	-	-	-	-	-	-	755,699	-	-	5,232,929
Total Liabilities	981,426	127,201	3,909,728	25,148	322,286	9,938	64,967	-	121,783	847,232	57,921	-	6,467,630
DEFERRED INFLOWS OF RESOURCES		-	-	41,266	-	-	-	-	-	-	-	-	41,266
FUND BALANCES													
Fund balances:													
Restricted	781,524	1,997,335	1,164,661	2,934,161	-	-	21,142	-	195,310	4,213	1,560,284	-	8,658,630
Committed	-	-	-	-	10,691,555	-	-	1,571,571	-	-	-	119,170	12,382,296
Unassigned	-	-	-	-	-	(10,130)	-	-	-	-	-	-	(10,130)
Total fund balances	781,524	1,997,335	1,164,661	2,934,161	10,691,555	(10,130)	21,142	1,571,571	195,310	4,213	1,560,284	119,170	21,030,796
Total Liabilities and Fund Balances	$ 1,762,950	$ 2,124,536	$ 5,074,389	$ 3,000,575	$ 11,013,841	$ (192)	$ 86,109	$ 1,571,571	$ 317,093	$ 851,445	$ 1,618,205	$ 119,170	$ 27,539,692

City of Garland, Texas
Nonmajor Governmental Funds
Statement of Revenues, Expenditures, and Changes in Fund Balance
For the Year Ended September 30, 2020

	CDBG	Housing Assistance	Neighborhood Services	Hotel/Motel Tax	Impact Fees	Landfill Closure	Police Training	Substandard Perimeter Road	Narcotic Seizure	CARES Act	TIF	GFFD	Total Other Governmental Funds
REVENUES													
Taxes	$ -	$ -	$ -	$ 1,250,293	$ -	$ -	$ -	$ -	$ -	$ -	$ 1,697,086	$ -	$ 2,947,379
Earnings on investments	2,487	12,450	16,665	50,103	184,318	426	38	26,822	5,193	4,213	25,238	23	327,976
Intergovernmental	1,633,103	15,464,708	992,179	-	-	-	539,559	-	-	3,601,364	-	-	22,230,913
Impact Fees	-	-	-	-	2,305,938	-	-	-	-	-	-	-	2,305,938
Program income	149,129	-	615,021	-	-	-	-	-	-	-	-	-	764,150
Awards	-	-	-	-	-	-	-	-	101,224	-	-	-	101,224
Miscellaneous and other	-	135,072	-	1,206	-	-	21,930	-	12,338	-	-	116,002	286,548
Total Revenues	1,784,719	15,612,230	1,623,865	1,301,602	2,490,256	426	561,527	26,822	118,755	3,605,577	1,722,324	116,025	28,964,128
EXPENDITURES													
Current:													
Operations	1,652,177	14,190,116	1,419,785	1,124,830	-	118,091	489,431	-	108,740	3,601,364	507,114	13	23,211,661
Capital outlay	(24,196)	17,370	-	-	-	-	63,780	-	80,160	-	30,926	162,593	330,633
Debt service													
Principal	-	-	-	-	-	-	-	-	-	-	314,510	-	314,510
Interest	-	-	-	-	-	-	-	-	-	-	485,632	-	485,632
Total Expenditures	1,627,981	14,207,486	1,419,785	1,124,830	-	118,091	553,211	-	188,900	3,601,364	1,338,182	162,606	24,342,436
Excess (deficiency) of revenues over (under) expenditures	156,738	1,404,744	204,080	176,772	2,490,256	(117,665)	8,316	26,822	(70,145)	4,213	384,142	(46,581)	4,621,692
OTHER FINANCING SOURCES (USES)													
Transfers in	-	-	276,686	-	-	204,100	-	-	-	-	-	162,593	643,379
Transfers out	(192)	(384)	(48)	(258,405)	(458,176)	-	(24)	-	-	-	(24)	-	(717,253)
Total other financing sources (uses)	(192)	(384)	276,638	(258,405)	(458,176)	204,100	(24)	-	-	-	(24)	162,593	(73,874)
Net change in fund balances	156,546	1,404,360	480,718	(81,633)	2,032,080	86,435	8,292	26,822	(70,145)	4,213	384,118	116,012	4,547,818
Fund balances - beginning	624,978	592,975	683,943	3,015,794	8,659,475	(96,565)	12,850	1,544,749	265,455	-	1,176,166	3,158	16,482,978
Fund balances - ending	$ 781,524	$ 1,997,335	$ 1,164,661	$ 2,934,161	$ 10,691,555	$ (10,130)	$ 21,142	$ 1,571,571	$ 195,310	$ 4,213	$ 1,560,284	$ 119,170	$ 21,030,796

City of Garland, Texas
Budgetary Comparison Schedule - Community Development Grant Fund
For the year ended September 30, 2020

	Community Development Block Grant Fund			
	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues:				
Earnings on investments	$ -	$ -	$ 2,487	$ 2,487
Intergovernmental	2,891,607	3,603,209	1,633,103	(1,970,106)
Program income	17,000	17,000	149,129	132,129
Total revenues	2,908,607	3,620,209	1,784,719	(1,835,490)
Expenditures:				
Current:				
Operations	2,908,607	3,620,209	1,652,177	1,968,032
Capital	-	-	(24,196)	24,196
Total expenditures	2,908,607	3,620,209	1,627,981	1,992,228
Excess (deficiency) of revenues over (under) expenditures	-	-	156,738	156,738
Other financing sources (uses):				
Transfers out	-	-	(192)	(192)
Total other financing sources (uses)	-	-	(192)	(192)
Net change in fund balances	-	-	156,546	156,546
Fund balances, beginning of year	624,978	624,978	624,978	-
Fund balances end of year	$ 624,978	$ 624,978	$ 781,524	$ 156,546

CIty of Garland, Texas
Budgetary Comparison Schedule - Housing Assistance Fund
For the year ended September 30, 2020

	Housing Assistance Fund			
	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues:				
Earnings on investments	$ 100	$ 100	$ 12,450	$ 12,350
Intergovernmental	12,661,096	12,904,745	15,464,708	2,559,963
Miscellaneous	5,275	30,733	135,072	104,339
Total revenues	12,666,471	12,935,578	15,612,230	2,676,652
Expenditures:				
Current:				
Operations	12,838,292	13,061,714	14,190,116	(1,128,402)
Capital	-	-	17,370	(17,370)
Total expenditures	12,838,292	13,061,714	14,207,486	(1,145,772)
Excess (deficiency) of revenues over (under) expenditures	(171,821)	(126,136)	1,404,744	1,530,880
Other financing sources (uses):				
Transfers out	(110,000)	(110,000)	(384)	109,616
Total other financing sources (uses)	(110,000)	(110,000)	(384)	109,616
Net change in fund balances	(281,821)	(236,136)	1,404,360	1,640,496
Fund balances, beginning of year	592,975	592,975	592,975	-
Fund balances end of year	$ 311,154	$ 356,839	$ 1,997,335	$ 1,640,496

City of Garland, Texas
Budgetary Comparison Schedule - Neighborhood Services Funds
For the year ended September 30, 2020

	HOME Grant Fund				Summer Nutrition Fund				CASA Fund				Fair Housing Grant Fund				Total Neighborhood Services			
	Original Budget	Final Budget	Actual	Variance Positive (Negative)	Original Budget	Final Budget	Actual	Variance Positive (Negative)	Original Budget	Final Budget	Actual	Variance Positive (Negative)	Original Budget	Final Budget	Actual	Variance Positive (Negative)	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues:																				
Earnings on investments	$ 7,180	$ 7,000	$ 11,519	$ 4,519	$ 1,170	$ 430	$ 415	$ (15)	$ 4,140	$ 4,260	$ 4,705	$ 445	$ -	$ -	$ 26	$ 26	$ 12,490	$ 11,690	$ 16,665	$ 4,975
Intergovernmental	1,936,982	1,936,982	674,731	(1,262,251)	-	-	-	-	-	-	-	-	296,602	1,084,840	317,448	(767,392)	2,233,584	3,021,822	992,179	(2,029,643)
Program income	400,000	400,000	513,177	113,177	-	-	-	-	100,000	100,000	101,844	1,844	-	-	-	-	500,000	500,000	615,021	115,021
Total revenues	2,344,162	2,343,982	1,199,427	(1,144,555)	1,170	430	415	(15)	104,140	104,260	106,549	2,289	296,602	1,084,840	317,474	(767,366)	2,746,074	3,533,512	1,623,865	(1,909,647)
Expenditures:																				
Current:																				
Operations	1,126,698	1,126,698	929,122	197,576	30,000	34,500	23,840	10,660	100,000	100,000	(546)	100,546	294,462	1,089,187	467,369	621,818	1,551,160	2,350,385	1,419,785	930,600
Total expenditures	1,126,698	1,126,698	929,122	197,576	30,000	34,500	23,840	10,660	100,000	100,000	(546)	100,546	294,462	1,089,187	467,369	621,818	1,551,160	2,350,385	1,419,785	930,600
Excess (deficiency) of revenues over (under) expenditures	1,217,464	1,217,284	270,305	(946,979)	(28,830)	(34,070)	(23,425)	10,645	4,140	4,260	107,095	102,835	2,140	(4,347)	(149,895)	(145,548)	1,194,914	1,183,127	204,080	(979,047)
Other financing sources (uses):																				
Transfers in	-	-	-	-	30,000	31,546	31,546	-	-	-	-	-	-	-	245,140	(245,140)	30,000	31,546	276,686	245,140
Transfers out	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(48)	(48)	-	-	(48)	(48)
Total other financing sources (uses)	-	-	-	-	30,000	31,546	31,546	-	-	-	-	-	-	-	245,092	(245,188)	30,000	31,546	276,638	245,092
Net change in fund balances	1,217,464	1,217,284	270,305	(946,979)	1,170	(2,524)	8,121	10,645	4,140	4,260	107,095	102,835	2,140	(4,347)	95,197	(390,736)	1,224,914	1,214,673	480,718	(733,955)
Fund balances, beginning of year	440,151	440,151	440,151	-	2,524	2,524	2,524	-	236,921	236,921	236,921	-	4,347	4,347	4,347	-	683,943	683,943	683,943	-
Fund balances end of year	$ 1,657,615	$ 1,657,435	$ 710,456	$ (946,979)	$ 3,694	$ -	$ 10,645	$ 10,645	$ 241,061	$ 241,181	$ 344,016	$ 102,835	$ 6,487	$ -	$ 99,544	$ (390,736)	$ 1,908,857	$ 1,898,616	$ 1,164,661	$ (733,955)

City of Garland, Texas
Budgetary Comparison Schedule - Hotel/Motel Tax Fund
For the Year Ended September 30, 2020

	Hotel/Motel Tax			
	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues:				
Occupancy taxes	$ 1,547,060	$ 1,232,053	$ 1,250,293	$ 18,240
Earnings on investments	47,410	37,750	50,103	12,353
Miscellaneous	-	-	1,206	1,206
Total revenues	1,594,470	1,269,803	1,301,602	31,799
Expenditures:				
Current:				
Operations	1,419,978	1,563,819	1,124,830	438,989
Total expenditures	1,419,978	1,563,819	1,124,830	438,989
Excess (deficiency) of revenues over (under) expenditures	174,492	(294,016)	176,772	470,788
Other financing sources (uses):				
Transfers out	(258,762)	(258,762)	(258,405)	357
Total other financing sources (uses)	(258,762)	(258,762)	(258,405)	357
Net change in fund balances	(84,270)	(552,778)	(81,633)	471,145
Fund balances, beginning of year	3,015,794	3,015,794	3,015,794	-
Fund balances end of year	$ 2,931,524	$ 2,463,016	$ 2,934,161	$ 471,145

City of Garland, Texas
Budgetary Comparison Schedule - Police Training Grant Fund
For the year ended September 30, 2020

	Police Training Grant Fund			
	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues:				
Earnings on investments	$ -	$ -	$ 38	$ 38
Intergovernmental	603,698	667,241	539,559	(127,682)
Miscellaneous	-	-	21,930	21,930
Total revenues	603,698	667,241	561,527	(105,714)
Expenditures:				
Current:				
Operations	539,326	431,801	489,431	(57,630)
Capital	64,372	235,440	63,780	171,660
Total expenditures	603,698	667,241	553,211	114,030
Excess (deficiency) of revenues over (under) expenditures	-	-	8,316	8,316
Other financing sources (uses):				
Transfers out	-	-	(24)	(24)
Total other financing sources (uses)	-	-	(24)	(24)
Net change in fund balances	-	-	8,292	8,292
Fund balances, beginning of year	12,850	12,850	12,850	-
Fund balances end of year	$ 12,850	$ 12,850	$ 21,142	$ 8,292

City of Garland, Texas
Budgetary Comparison Schedule - Narcotic Seizure Fund
For the year ended September 30, 2020

	Narcotic Seizure			
	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues:				
Earnings on investments	$ 6,710	$ 4,300	$ 5,193	$ 893
Awards	81,994	99,901	101,224	1,323
Miscellaneous	-	4,427	12,338	7,911
Total revenues	88,704	108,628	118,755	10,127
Expenditures:				
Current:				
Operations	153,000	158,500	108,740	49,760
Capital	80,160	80,160	80,160	-
Total expenditures	233,160	238,660	188,900	49,760
Excess (deficiency) of revenues over (under) expenditures	(144,456)	(130,032)	(70,145)	59,887
Net change in fund balances	(144,456)	(130,032)	(70,145)	59,887
Fund balances, beginning of year	265,455	265,455	265,455	-
Fund balances end of year	$ 120,999	$ 135,423	$ 195,310	$ 59,887

City of Garland, Texas
Budgetary Comparison Schedule - CARES Relief Fund
For the year ended September 30, 2020

	CARES Fund			
	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues:				
Earnings on investments	$ -	$ -	$ 4,213	$ 4,213
Intergovernmental	-	7,904,853	3,601,364	(4,303,489)
Total revenues	-	7,904,853	3,605,577	(4,299,276)
Expenditures:				
Current:				
Operations	-	7,904,853	3,601,364	4,303,489
Total expenditures	-	7,904,853	3,601,364	4,303,489
Excess (deficiency) of revenues over (under) expenditures	-	-	4,213	4,213
Net change in fund balances	-	-	4,213	4,213
Fund balances, beginning of year	-	-	-	-
Fund balances end of year	$ -	$ -	$ 4,213	$ 4,213

City of Garland, Texas
Budgetary Comparison Schedule - Tax Increment Financing Zones
For the year ended September 30, 2020

	Interstate Highway 30 TIF Fund				Downtown TIF Fund				Medical District TIF Fund				Total TIF funds			
	Original Budget	Final Budget	Actual	Variance Positive (Negative)	Original Budget	Final Budget	Actual	Variance Positive (Negative)	Original Budget	Final Budget	Actual	Variance Positive (Negative)	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues:																
Occupancy taxes	$ 590,768	$ 563,916	$ 563,916	$ -	$ 1,136,076	$ 1,136,076	$ 1,124,490	$ (11,586)	$ 8,542	$ 8,680	$ 8,680	$ -	$ 1,735,386	$ 1,708,672	$ 1,697,086	$ (11,586)
Earnings on investments	-	912	1,707	795	16,180	14,600	23,469	8,869	-	16	62	46	16,180	15,528	25,238	9,710
Total revenues	590,768	564,828	565,623	795	1,152,256	1,150,676	1,147,959	(2,717)	8,542	8,696	8,742	46	1,751,566	1,724,200	1,722,324	(1,876)
Expenditures:																
Current:																
Operations	67,697	66,490	66,490	-	891,068	1,465,622	440,624	1,024,998	-	-	-	-	958,765	1,532,112	507,114	1,024,998
Capital	-	-	-	-	366,250	366,250	30,926	335,324	-	-	-	-	366,250	366,250	30,926	335,324
Debt Service																
Principal	64,510	64,510	64,510	-	250,000	250,000	250,000	-	-	-	-	-	314,510	314,510	314,510	-
Interest	458,561	434,834	434,640	(194)	51,950	51,950	50,992	958	-	-	-	-	510,511	486,784	485,632	1,152
Total expenditures	590,768	565,834	565,640	(194)	1,559,268	2,133,822	772,542	1,361,280	-	-	-	-	2,150,036	2,699,656	1,338,182	1,361,474
Excess (deficiency) of revenues over (under) expenditures	-	(1,006)	(17)	989	(407,012)	(983,146)	375,417	1,358,563	8,542	8,696	8,742	46	(398,470)	(975,456)	384,142	1,359,598
Other financing sources (uses):																
Transfers out	-	-	-	-	-	-	(24)	(24)	-	-	-	-	-	-	(24)	(24)
Total other financing sources (uses)	-	-	-	-	-	-	(24)	(24)	-	-	-	-	-	-	(24)	(24)
Net change in fund balances	-	(1,006)	(17)	989	(407,012)	(983,146)	375,393	1,358,539	8,542	8,696	8,742	46	(398,470)	(975,456)	384,118	1,359,574
Fund balances, beginning of year	1,006	1,006	1,006	-	1,175,160	1,175,160	1,175,160	-	-	-	-	-	1,176,166	1,176,166	1,176,166	-
Fund balances end of year	$ 1,006	$ -	$ 989	$ 989	$ 768,148	$ 192,014	$ 1,550,553	$ 1,358,539	$ 8,542	$ 8,696	$ 8,742	$ 46	$ 777,696	$ 200,710	$ 1,560,284	$ 1,359,574

City of Garland, Texas
Debt Service Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
For the Year Ended September 30, 2020

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues:				
General property taxes	$ 59,559,911	$ 59,535,519	$ 60,043,798	$ 508,279
Earnings on investments	265,000	155,000	158,630	3,630
Total Revenues	59,824,911	59,690,519	60,202,428	511,909
Expenditures:				
Principal retirement	27,380,790	27,380,490	27,380,490	-
Interest	10,724,396	9,992,685	9,951,173	41,512
Issuer Contribution	-	-	11,355	(11,355)
Fiscal charges	50,000	50,000	64,468	(14,468)
Total Expenditures	38,155,186	37,423,175	37,407,486	15,689
Excess of revenues over expenditures	21,669,725	22,267,344	22,794,942	527,598
Other financing sources (uses):				
Proceeds of general obligation refunding bonds	-	-	1,170,000	1,170,000
Payment to general obligation refunded bond escrow agent	-	-	(1,369,381)	(1,369,381)
Premium on issuance of debt	-	-	210,736	210,736
Transfers in	685,440	685,440	685,440	-
Transfers out	(22,357,113)	(22,357,113)	(22,357,113)	-
Total other financing sources (uses)	(21,671,673)	(21,671,673)	(21,660,318)	11,355
Net change in fund balances	(1,948)	595,671	1,134,624	538,953
Fund balance, beginning of year	5,589,684	5,589,684	5,589,684	-
Fund balance, end of year	$ 5,587,736	$ 6,185,355	$ 6,724,308	$ 538,953

City of Garland, Texas
Nonmajor Enterprise Funds

Nonmajor Enterprise Funds

The Nonmajor Enterprise Funds account for operations that are financed and operated in a manner similar to private business enterprises – where the intent of the City is that costs of providing goods and services to the general public on a continuing basis will be financed or recovered through user charges.

Golf Fund – This fund is used to account for the resources and expense associated with a public golf course, administered by a golf professional under the direct supervision of the City Manager.

Heliport Fund – This fund is used to account for the resources and expenses associated with the operations of a heliport.

Storm Water Management Fund – This fund is used to account for the resources and expenses associated with controlling the quality of storm water discharges into lakes and streams.

Parks Performance Fund – This fund is used to account for the resources and expense associated with the operation of recreation activities that receive revenues from user fees.

Sanitation Fund – This fund is used to account for the resources and expenses associated with the collection and recycling of residential and commercial waste.

City of Garland, Texas
Nonmajor Enterprise Funds
Statement of Net Position
September 30, 2020

	Business-Type Activities - Enterprise Funds					
	Golf	**Heliport**	**Storm Water Management**	**Parks Performance**	**Sanitation**	**Total Other Enterprise Funds**
ASSETS						
Current assets						
Unrestricted						
Cash and cash equivalents	$ 204,000	$ 116,745	$ 1,417,599	$ 72,947	$ 1,431,785	$ 3,243,076
Investments	118,460	67,112	813,000	40,711	823,328	1,862,611
Receivable, net of allowance	22,965	-	468,142	-	2,331,656	2,822,763
Accrued interest	354	338	3,787	148	3,703	8,330
Inventories	51,133	-	-	-	-	51,133
Total current assets	396,912	184,195	2,702,528	113,806	4,590,472	7,987,913
Noncurrent assets						
Restricted assets						
Construction funds:						
Cash and cash equivalents	53,304	-	-	-	842,297	895,601
Investments	30,486	-	(773)	-	473,311	503,024
Accrued interest	195	-	-	-	2,248	2,443
Total construction funds	83,985	-	(773)	-	1,317,856	1,401,068
Capital Assets						
Land	9,111,400	1,776,208	-	-	567,992	11,455,600
System	17,085,296	746,069	5,243,317	260,925	25,798,428	49,134,035
Construction in progress	493,721	-	48,162	-	-	541,883
Less accumulated depreciation	(12,160,156)	(714,041)	(3,216,791)	(255,726)	(14,693,979)	(31,040,693)
Net capital assets	14,530,261	1,808,236	2,074,688	5,199	11,672,441	30,090,825
Total noncurrent assets	14,614,246	1,808,236	2,073,915	5,199	12,990,297	31,491,893
Total assets	$ 15,011,158	$ 1,992,431	$ 4,776,443	$ 119,005	$ 17,580,769	$ 39,479,806
Deferred charges on debt refundings	-	-	-	-	59	59
Deferred charges on pensions	108,994	-	167,060	-	550,245	826,299
Deferred charges on OPEB	127,037	-	190,555	-	690,763	1,008,355
Total deferred outflows	$ 236,031	$ -	$ 357,615	$ -	$ 1,241,067	$ 1,834,713

City of Garland, Texas
Nonmajor Enterprise Funds
Statement of Net Position
September 30, 2020

	Business-Type Activities - Enterprise Funds					
	Golf	Heliport	Storm Water Management	Parks Performance	Sanitation	Total Other Enterprise Funds
LIABILITIES						
Current Liabilities						
Payable from current assets:						
Accounts payable and accrued liabilities	$ 163,444	$ -	$ 159,440	$ 10,628	$ 365,293	$ 698,805
Accrued general obligation interest	-	-	-	-	83	83
Accrued certificates of obligation interest	-	-	7,168	-	76,507	83,675
Certificates of obligation	-	-	435,000	-	2,675,000	3,110,000
Due to other funds	-	-	196,830	-	-	196,830
Compensated absences	67,370	-	70,454	-	226,427	364,251
Total current liabilities	230,814	-	868,892	10,628	3,343,310	4,453,644
Long-term Liabilities						
General obligation bonds (net of unamortized premium)	-	-	-	-	16,376	16,376
Certificates of obligation (net of unamortized premium)	-	-	861,080	-	7,806,590	8,667,670
Net OPEB liability	651,879	-	977,818	-	3,544,591	5,174,288
Compensated absences	59,341	-	-	-	46,626	105,967
Net pension liability	91,044	-	138,962	-	456,817	686,823
Total long-term liabilities	802,264	-	1,977,860	-	11,871,000	14,651,124
Total Liabilities	1,033,078	-	2,846,752	10,628	15,214,310	19,104,768
Deferred inflow of resources-pensions	181,493	-	277,952	-	915,142	1,374,587
Deferred inflow of resources-OPEB	37,653	-	56,479	-	204,737	298,869
Total deferred inflows	219,146	-	334,431	-	1,119,879	1,673,456
NET POSITION						
Net investment in capital assets	14,614,246	1,808,236	777,835	5,199	2,492,331	19,697,847
Unrestricted (deficit)	(619,281)	184,195	1,175,040	103,178	(4,684)	838,448
Total net position	$ 13,994,965	$ 1,992,431	$ 1,952,875	$ 108,377	$ 2,487,647	$ 20,536,295

City of Garland
Nonmajor Enterprise Funds
Statement of Revenues, Expenses, and Changes in Fund Net Position
For the Year Ended September 30, 2020

	Business-Type Activities - Enterprise Funds					
	Golf	Heliport	Storm Water Management	Parks Performance	Sanitation	Total Other Enterprise Funds
OPERATING REVENUES						
Charges for services	$ 3,365,566	$ 7,522	$ 4,963,130	$ 638,751	$ 21,193,039	$ 30,168,008
Other	17,621	-	14	58,637	42,677	118,949
Total Operating Revenues	3,383,187	7,522	4,963,144	697,388	21,235,716	30,286,957
OPERATING EXPENSES						
Salaries and benefits	2,079,008	-	2,226,257	89,703	6,809,903	11,204,871
Landfill fees	-	-	-	-	3,658,841	3,658,841
Maintenance, repairs, and supplies	1,608,467	19,127	1,098,583	586,114	4,370,477	7,682,768
Insurance and other expenses	63,656	-	96,171	-	515,256	675,083
General and administrative	10,684	-	400,499	25,206	1,920,625	2,357,014
Claims	15,847	-	58,057	-	210,457	284,361
Depreciation	903,582	4,015	409,604	1,155	3,299,823	4,618,179
Total Operating Expenses	4,681,244	23,142	4,289,171	702,178	20,785,382	30,481,117
Total Operating Income (Loss)	(1,298,057)	(15,620)	673,973	(4,790)	450,334	(194,160)
NONOPERATING REVENUES (EXPENSES)						
Gain (loss) on sale of capital assets	-	-	54,174	-	97,785	151,959
Investment income	7,883	3,303	31,709	1,486	50,866	95,247
Interest expense	-	-	(28,146)	-	(182,727)	(210,873)
Income (loss) before transfers	(1,290,174)	(12,317)	731,710	(3,304)	416,258	(157,827)
TRANSFERS						
Transfers out	(696)	-	(6,503)	(100,000)	(1,277,736)	(1,384,935)
Total transfers	(696)	-	(6,503)	(100,000)	(1,277,736)	(1,384,935)
NET INCOME (LOSS)	(1,290,870)	(12,317)	725,207	(103,304)	(861,478)	(1,542,762)
Net position, beginning of year	15,285,835	2,004,748	1,227,668	211,681	3,349,125	22,079,057
Net position, end of year	$ 13,994,965	$ 1,992,431	$ 1,952,875	$ 108,377	$ 2,487,647	$ 20,536,295

City of Garland, Texas
Nonmajor Enterprise Funds
Statement of Cash Flows
For the Year Ended September 30, 2020

	Golf	Heliport	Storm Water Management	Parks Performance	Sanitation	Total Other Enterprise Funds
Cash flows from operating activities:						
Cash received from customers	$ 3,432,970	$ 7,522	$ 4,900,860	$ 638,991	$ 20,968,002	$ 29,948,345
Cash payments for goods and services	(1,696,006)	(19,127)	(1,591,010)	(436,216)	(10,400,257)	(14,142,616)
Cash payments to employees for services	(2,029,304)	-	(2,160,785)	(89,703)	(6,563,350)	(10,843,142)
Other operating revenues	17,621	-	14	58,637	42,677	118,949
Net cash provided by (used for) operating activities	(274,719)	(11,605)	1,149,079	171,709	4,047,072	5,081,536
Cash flows from non-capital financing activities:						
Due to other funds - increase	-	-	196,830	-	-	196,830
Transfers out	(696)	-	(6,503)	(100,000)	(1,277,736)	(1,384,935)
Net cash provided by (used for) non-capital financing activities	(696)	-	190,327	(100,000)	(1,277,736)	(1,188,105)
Cash flows from capital and related financing activities:						
Certificate of obligation issues	-	-	-	-	2,095,000	2,095,000
Premium on issuance of debt	-	-	-	-	251,527	251,527
Acquisition of capital assets	(120,993)	-	(321,541)	-	(1,795,511)	(2,238,045)
Principal paid on certificates of obligation	-	-	(420,000)	-	(2,625,000)	(3,045,000)
Interest paid on certificates of obligation	-	-	(66,839)	-	(443,210)	(510,049)
Interest paid on general obligation bonds	-	-	-	-	(650)	(650)
Proceeds from sale of capital assets	-	-	56,180	-	97,785	153,965
Net cash used for capital and related financing activities	(120,993)	-	(752,200)	-	(2,420,059)	(3,293,252)
Cash flows from investing activities:						
Purchase of investment securities	(55,114)	(25,154)	(513,681)	(46,207)	(776,968)	(1,417,124)
Proceeds from the sale and maturity of investment securities	314,196	56,835	530,178	25,879	1,106,459	2,033,547
Interest received on investments	8,656	3,441	31,689	1,434	52,470	97,690
Net cash provided by (used for) investing activities	267,738	35,122	48,186	(18,894)	381,961	714,113
Net increase (decrease) in cash and cash equivalents	(128,670)	23,517	635,392	52,815	731,238	1,314,292
Cash and cash equivalents at beginning of year	385,974	93,228	782,207	20,132	1,542,844	2,824,385
Cash and cash equivalents at end of year	$ 257,304	$ 116,745	$ 1,417,599	$ 72,947	$ 2,274,082	$ 4,138,677
Reconciliation to Statement of Net Position						
Cash and cash equivalents	$ 204,000	$ 116,745	$ 1,417,599	$ 72,947	$ 1,431,785	$ 3,243,076
Construction fund cash and cash equivalents	53,304	-	-	-	842,297	895,601
Total cash and cash equivalents	$ 257,304	$ 116,745	$ 1,417,599	$ 72,947	$ 2,274,082	$ 4,138,677

City of Garland, Texas
Nonmajor Enterprise Funds
Statement of Cash Flows
For the Year Ended September 30, 2020

	Golf	Heliport	Storm Water Management	Parks Performance	Sanitation	Total Other Enterprise Funds
Reconciliation of operating loss to net cash provided by (used for) operating activities:						
Operating income (loss)	$ (1,298,057)	$ (15,620)	$ 673,973	$ (4,790)	$ 450,334	$ (194,160)
Adjustments:						
Depreciation	903,582	4,015	409,604	1,155	3,299,823	4,618,179
Provision for uncollectible accounts	-	-	-	-	2,539	2,539
Change in assets and liabilities:						
Decrease in pension related deferred outflows	275,512	-	419,707	-	1,378,501	2,073,720
Increase in OPEB related deferred outflows	(52,123)	-	(78,184)	-	(283,418)	(413,725)
Decrease in inventory	19,477	-	-	-	-	19,477
Decrease in net pension liability	(409,690)	-	(625,316)	-	(2,055,636)	(3,090,642)
(Increase) decrease in accounts receivable	67,404	-	(62,270)	240	(227,576)	(222,202)
Increase (decrease) in accounts payable	(32,676)	-	38,479	(19,875)	11,917	(2,155)
Decrease in prepaid expense	-	-	50	194,979	177,311	372,340
Increase in compensated absences	13,299	-	9,907	-	63,891	87,097
Increase in OPEB liability	72,537	-	108,804	-	394,417	575,758
Increase in pension related deferred inflows	170,582	-	261,174	-	859,797	1,291,553
Decrease in OPEB related deferred inflows	(4,566)	-	(6,849)	-	(24,828)	(36,243)
Total adjustments	1,023,338	4,015	475,106	176,499	3,596,738	5,275,696
Net cash provided by (used for) operating activities	$ (274,719)	$ (11,605)	$ 1,149,079	$ 171,709	$ 4,047,072	$ 5,081,536
Non-cash transactions:						
Increase in fair value of investments	1,263	577	7,002	360	11,230	20,432

City of Garland, Texas
Internal Service Funds

Internal Service Funds

The Internal Service Funds account for the financing of goods or services and insurance premiums and claims provided by one department or agency to other departments or agencies of the governmental unit, or to other governmental units on a cost-reimbursement basis.

Group Health Fund – This fund is used to account for an employee medical insurance plan which is administered by a third party. The City makes deposits to the fund each pay period for each employee covered by this medical insurance plan and payment of employees' medical claims are made from this fund.

Self Insurance Fund – This fund is used to account for proceeds from other funds for the payment of claims and to provide a loss reserve for potential future major unanticipated claims.

LTD Insurance Fund – This fund is used to account for proceeds from other funds and employees for the payment of long-term disability claims and to provide a loss reserve for potential future claims.

Fleet Services Fund – This fund is used to account for the cost of operating a centralized fleet maintenance garage, which performs repair and maintenance services for City vehicles.

Vehicle Replacement Fund – This fund is used to account for the proceeds from other funds for the systematic replacement of City vehicles.

Information Technology Fund – This fund is used to account for activities related to administration, operation, and maintenance of the City's electronic data processing and communication systems.

Facilities Management Fund – This fund is used to account for activities related to maintenance and management of City buildings and facilities.

Warehouse Fund – This fund is used to account for the activities related to operation of the City's warehouse center for storage and distribution of supplies.

Customer Service Fund – This fund is used to account for activities related to establishing accounts, meter reading, billing and collection of revenue, and responding to customer inquiries from the day to day operations of City utilities.

City of Garland, Texas
Internal Service Funds
Statement of Net Position
September 30, 2020

	Group Health	Self Insurance	LTD Insurance	Fleet Services	Vehicle Replacement	Information Technology	Facilities Management	Warehouse	Customer Service	Total Internal Service Funds
ASSETS										
Current assets:										
Unrestricted										
Cash and cash equivalents	$ 4,443,001	$ 3,377,136	$ 1,266,688	$ 56,010	$ 4,872,937	$ 5,215,333	$ 1,251,893	$ -	$ 12,688,536	$ 33,171,534
Investments	2,567,934	1,938,874	728,705	37,090	2,782,419	2,990,166	716,705	-	7,088,110	18,850,003
Accrued interest	13,448	9,218	3,653	309	12,888	14,503	3,597	-	35,266	92,882
Other Receivables	349,599	20,379	-	-	-	285	-	-	642,689	1,012,952
Inventories	-	-	-	171,939	-	-	-	6,456,218	-	6,628,157
Total current assets	7,373,982	5,345,607	1,999,046	265,348	7,668,244	8,220,287	1,972,195	6,456,218	20,454,601	59,755,528
Noncurrent assets:										
Restricted										
Construction funds:										
Cash and cash equivalents	-	-	-	50,491	-	-	-	3,809	21,924	76,224
Investments	-	-	-	27,803	-	22,116	-	2,188	3,388	55,495
Accrued interest	-	-	-	144	-	2	-	11	63	220
Total construction funds	-	-	-	78,438	-	22,118	-	6,008	25,375	131,939
Capital assets										
Land	-	-	-	-	-	136,810	-	-	221,949	358,759
System	21,834	-	-	4,035,838	40,638,941	51,581,006	102,374	258,715	31,768,147	128,406,855
Construction in progress	-	-	-	611,069	-	11,716,530	-	-	-	12,327,599
Less accumulated depreciation	(21,834)	-	-	(2,087,330)	(28,817,562)	(35,953,270)	(37,630)	(247,411)	(13,444,836)	(80,609,873)
Net capital assets	-	-	-	2,559,577	11,821,379	27,481,076	64,744	11,304	18,545,260	60,483,340
Total noncurrent assets	-	-	-	2,638,015	11,821,379	27,503,194	64,744	17,312	18,570,635	60,615,279
Total assets	7,373,982	5,345,607	1,999,046	2,903,363	19,489,623	35,723,481	2,036,939	6,473,530	39,025,236	120,370,807
Deferred Outflows of Resources										
Deferred charges on debt	-	-	-	-	-	13,759	-	-	14,851	28,610
Deferred charges on pensions	101,621	62,261	-	221,210	-	605,600	225,735	55,145	563,274	1,834,846
Deferred charges on OPEB	95,278	39,699	-	277,893	-	500,208	277,893	79,398	746,342	2,016,711
Total deferred outflows	196,899	101,960	-	499,103	-	1,119,567	503,628	134,543	1,324,467	3,880,167
LIABILITIES										
Current Liabilities:										
Payable from current assets										
Accounts payable and accrued liabilities	1,195,250	475,685	39,596	446,410	241,040	801,157	259,472	744,068	758,719	4,961,397
Accrued interest payable:										
General obligation bonds	-	-	-	-	-	11,449	-	32	83,956	95,437
Certificates of obligation	-	-	-	7,362	-	19,255	-	-	-	26,617
Customer deposits	-	-	-	-	-	-	-	-	17,646,791	17,646,791
Due to other funds	-	-	-	-	-	132,271	-	1,661,905	-	1,794,176
Compensated absences	41,557	38,624	-	95,314	-	280,799	104,434	24,563	251,135	836,426
Insurance claims payable	2,268,697	2,774,500	490,000	-	-	-	-	-	-	5,533,197
General obligation bonds	-	-	-	-	-	200,000	-	5,000	1,340,000	1,545,000
Certificates of obligation	-	-	-	80,000	-	240,000	-	-	-	320,000
Total current liabilities	3,505,504	3,288,809	529,596	629,086	241,040	1,684,931	363,906	2,435,568	20,080,601	32,759,041
Long-term Liabilities:										
Payable from restricted assets										
Accounts payable	-	-	-	67,603	-	6,657	-	-	-	74,260
Total payable from restricted assets	-	-	-	67,603	-	6,657	-	-	-	74,260
Advances from other funds	-	-	-	-	-	-	-	3,896,269	-	3,896,269
Certificates of obligation (net of amortized bond premium)	-	-	-	1,590,707	-	2,323,338	-	-	-	3,914,045
General obligation bonds (net of amortized bond premium and defeased debt cost)	-	-	-	-	-	1,860,552	-	59	13,269,233	15,129,844
Compensated absences	2,638	47,922	-	37,864	-	189,041	63,311	5,712	70,665	417,153
Insurance claims payable	-	3,663,574	2,373,759	-	-	-	-	-	-	6,037,333
Net OPEB liability	488,909	203,712	-	1,425,985	-	2,566,773	1,425,985	407,424	3,829,788	10,348,576
Net pension liability	84,655	51,112	-	183,685	-	503,138	186,880	46,321	467,998	1,523,789
Total Long-term Liabilities	576,202	3,966,320	2,373,759	3,238,241	-	7,442,842	1,676,176	4,355,785	17,637,684	41,267,009
Total Liabilities	4,081,706	7,255,129	2,903,355	3,934,930	241,040	9,134,430	2,040,082	6,791,353	37,718,285	74,100,310
Deferred Inflows of resources										
Deferred charges on debt	-	-	-	-	-	953	-	1	25,677	26,631
Deferred charges on pensions	169,125	103,322	-	367,921	-	1,007,349	375,223	91,928	936,954	3,051,822
Deferred charges on OPEB	28,240	11,767	-	82,366	-	148,258	82,366	23,533	221,210	597,740
Total deferred inflows	197,365	115,089	-	450,287	-	1,156,560	457,589	115,462	1,183,841	3,676,193
NET POSITION										
Net investment in capital assets	-	-	-	899,705	11,821,379	22,885,453	64,744	12,252	3,950,576	39,634,109
Unrestricted	3,291,810	(1,922,651)	(904,309)	(1,882,456)	7,427,204	3,666,605	(21,848)	(310,994)	(2,502,999)	6,840,362
Total net position	$ 3,291,810	$ (1,922,651)	$ (904,309)	$ (982,751)	$ 19,248,583	$ 26,552,058	$ 42,896	$ (298,742)	$ 1,447,577	$ 46,474,471

City of Garland, Texas
Internal Service Funds
Statement of Revenues, Expenses, and Changes in Fund Net Position
For the Year Ended September 30, 2020

	Group Health	Self Insurance	LTD Insurance	Fleet Services	Vehicle Replacement	Information Technology	Facilities Management	Warehouse	Customer Service	Total Internal Service Funds
OPERATING REVENUES:										
Charges for services	$ -	$ -	$ -	$ 8,773,796	$ 4,038,048	$ 19,982,014	$ 9,664,854	$ 1,002,300	$ 11,571,061	$ 55,032,073
Premiums	30,509,431	5,556,660	472,283	-	-	-	-	-	-	36,538,374
Other	1,243,353	468,308	-	-	-	233,040	1,034	11,844	122,102	2,079,681
Total Operating Revenues	31,752,784	6,024,968	472,283	8,773,796	4,038,048	20,215,054	9,665,888	1,014,144	11,693,163	93,650,128
OPERATING EXPENSES:										
Salaries and benefits	1,401,956	2,012,795	-	2,582,659	-	7,751,717	2,465,579	675,491	6,578,871	23,469,068
Maintenance, repairs, and other	298,742	279,735	-	5,580,954	183,597	8,380,929	5,759,899	37,186	1,882,825	22,403,867
Premiums	5,748,435	3,017,139	-	-	-	-	-	-	-	8,765,574
Claims	25,718,677	606,525	157,563	34,666	-	62,400	34,666	9,906	93,104	26,717,507
Administrative services	503,788	60,815	46,585	-	-	-	-	-	-	611,188
General and administrative	303,608	233,876	-	930,014	-	1,666,297	614,610	254,766	3,106,293	7,109,464
Depreciation	-	-	-	96,076	3,831,764	4,146,238	7,036	7,786	1,003,908	9,092,808
Total Operating Expenses	33,975,206	6,210,885	204,148	9,224,369	4,015,361	22,007,581	8,881,790	985,135	12,665,001	98,169,476
Total Operating Income (Loss)	(2,222,422)	(185,917)	268,135	(450,573)	22,687	(1,792,527)	784,098	29,009	(971,838)	(4,519,348)
NONOPERATING REVENUES (EXPENSES):										
Investment income	134,259	78,568	34,166	7,200	128,846	141,613	28,569	104	335,358	888,683
Interest expense	-	-	-	(41,465)	-	(89,697)	-	(113)	(335,578)	(466,853)
Gain (loss) on sale of capital assets	-	-	-	-	468,427	4,696	-	-	-	473,123
Total nonoperating revenues (expenses)	134,259	78,568	34,166	(34,265)	597,273	56,612	28,569	(9)	(220)	894,953
Income (loss) before transfers	(2,088,163)	(107,349)	302,301	(484,838)	619,960	(1,735,915)	812,667	29,000	(972,058)	(3,624,395)
TRANSFERS										
Transfers in	380,689	(334,921)	-	-	256,555	-	-	-	586,056	888,379
Transfers out	5,904	(60,120)	-	(8,884)	6,933	(1,584)	(864)	(240)	(18,080)	(76,935)
Net transfers	386,593	(395,041)	-	(8,884)	263,488	(1,584)	(864)	(240)	567,976	811,444
NET INCOME (LOSS)	(1,701,570)	(502,390)	302,301	(493,722)	883,448	(1,737,499)	811,803	28,760	(404,082)	(2,812,951)
Net position, beginning of year	4,993,380	(1,420,261)	(1,206,610)	(489,029)	18,365,135	28,289,557	(768,907)	(327,502)	1,851,659	49,287,422
Net position, end of year	$ 3,291,810	$ (1,922,651)	$ (904,309)	$ (982,751)	$ 19,248,583	$ 26,552,058	$ 42,896	$ (298,742)	$ 1,447,577	$ 46,474,471

City of Garland, Texas
Internal Service Funds
Statement of Cash Flows
For the Year Ended September 30, 2020

	Group Health	Self Insurance	LTD Insurance	Fleet Services	Vehicle Replacement	Information Technology	Facilities Management	Warehouse	Customer Service	Internal Service Funds
Cash flows from operating activities:										
Cash received from customers	$ 30,485,156	$ 5,922,426	$ 472,283	$ 8,773,796	$ 4,038,048	$ 19,988,599	$ 9,664,854	$ 1,002,300	$ 11,693,044	$ 92,040,506
Cash received for customer deposits	-	-	-	-	-	-	-	-	814,156	814,156
Cash payments for goods and services	(32,482,271)	(3,787,765)	(443,631)	(6,958,615)	16,852	(10,475,961)	(6,350,541)	(305,739)	(4,801,467)	(65,589,138)
Cash payments to employees for services	(1,360,978)	(2,127,114)	-	(2,478,277)	-	(7,443,922)	(2,359,742)	(655,431)	(6,322,139)	(22,747,603)
Other operating revenues	1,243,353	468,308	-	-	-	233,040	1,034	11,844	122,102	2,079,681
Net cash provided by (used for) operating activities	(2,114,740)	475,855	28,652	(663,096)	4,054,900	2,301,756	955,605	52,974	1,505,696	6,597,602
Cash flows from non-capital financing activities:										
Due from other funds - (increase) decrease	-	-	-	-	-	-	-	-	-	-
Due to other funds - decrease	-	-	-	-	-	132,271	-	(47,358)	-	84,913
Transfers in	380,689	(334,921)	-	-	256,555	-	-	-	586,056	888,379
Transfers out	5,904	(60,120)	-	(8,884)	6,933	(1,584)	(864)	(240)	(18,080)	(76,935)
Net cash provided by (used for) non-capital financing activities	386,593	(395,041)	-	(8,884)	263,488	130,687	(864)	(47,598)	567,976	896,357
Cash flows from capital and financing activities:										
Certificate of obligation issues	-	-	-	-	-	660,000	-	-	-	660,000
Refunding bonds	-	-	-	-	-	-	-	-	-	-
Premium on issuance of debt	-	-	-	-	-	145,989	-	-	-	145,989
Acquisition of capital assets	-	-	-	(170,484)	(5,270,681)	(4,887,459)	(10,299)	-	-	(10,338,923)
Principal paid on certificates of obligation	-	-	-	(75,000)	-	(175,000)	-	-	-	(250,000)
Principal paid on general obligation bonds	-	-	-	-	-	(195,000)	-	(5,000)	(1,270,000)	(1,470,000)
Interest paid on certificates of obligation	-	-	-	(59,395)	-	(85,210)	-	-	-	(144,605)
Interest paid on general obligations	-	-	-	-	-	(94,475)	-	(375)	(688,051)	(782,901)
Bond issue expense	-	-	-	-	-	-	-	-	-	-
Payment to escrow agent	-	-	-	-	-	-	-	-	-	-
Proceeds from sale of assets	-	-	-	-	489,850	4,696	-	-	-	494,546
Net cash used for financing activities	-	-	-	(304,879)	(4,780,831)	(4,626,459)	(10,299)	(5,375)	(1,958,051)	(11,685,894)
Cash flows from investing activities:										
Purchase of investment securities	(957,270)	(727,623)	(272,915)	(22,946)	(1,049,902)	(1,299,635)	(647,664)	(821)	(2,660,458)	(7,639,234)
Proceeds from the sale and maturity of investment securities	2,817,382	1,439,719	538,548	544,187	2,363,993	3,575,377	444,124	1,663	5,214,105	16,939,098
Interest received on investments	141,288	81,555	35,093	9,298	137,841	151,346	27,444	106	344,694	928,665
Net cash provided by (used for) investing activities	2,001,400	793,651	300,726	530,539	1,451,932	2,427,088	(176,096)	948	2,898,341	10,228,529
Net increase (decrease) in cash and cash equivalents	273,253	874,465	329,378	(446,320)	989,489	233,072	768,346	949	3,013,962	6,036,594
Cash and cash equivalents at beginning of year	4,169,748	2,502,671	937,310	552,821	3,883,448	4,982,261	483,547	2,860	9,696,498	27,211,164
Cash and cash equivalents at end of year	$ 4,443,001	$ 3,377,136	$ 1,266,688	$ 106,501	$ 4,872,937	$ 5,215,333	$ 1,251,893	$ 3,809	$ 12,710,460	$ 33,247,758
Reconciliation to Statement of Net Position										
Cash and cash equivalents	$ 4,443,001	$ 3,377,136	$ 1,266,688	$ 56,010	$ 4,872,937	$ 5,215,333	$ 1,251,893	$ -	$ 12,688,536	$ 33,171,534
Construction fund cash and cash equivalents	-	-	-	50,491	-	-	-	3,809	21,924	76,224
Total cash and cash equivalents	$ 4,443,001	$ 3,377,136	$ 1,266,688	$ 106,501	$ 4,872,937	$ 5,215,333	$ 1,251,893	$ 3,809	$ 12,710,460	$ 33,247,758
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:										
Operating income (loss)	$ (2,222,422)	$ (185,917)	$ 268,135	$ (450,573)	$ 22,687	$ (1,792,527)	$ 784,098	$ 29,009	$ (971,838)	$ (4,519,348)
Adjustments:										
Depreciation	-	-	-	96,076	3,831,764	4,146,238	7,036	7,786	1,003,908	9,092,808
Change in assets and liabilities:										
Decrease in pension related deferred outflows	255,859	153,433	-	554,341	-	1,518,787	563,198	140,529	1,412,748	4,598,895
Increase in OPEB related deferred outflows	(39,093)	(16,318)	-	(114,019)	-	(205,234)	(114,019)	(32,577)	(306,223)	(827,483)
(Increase) decrease in inventory	-	-	-	49,473	-	-	-	(602,424)	-	(552,951)
Increase in net pension liability	(380,939)	(230,002)	-	(826,567)	-	(2,264,074)	(840,942)	(208,438)	(2,105,948)	(6,856,910)
(Increase) decrease in accounts receivable	(24,275)	365,766	-	-	-	6,584	-	-	121,983	470,058
Increase (decrease) in accounts payable	340,547	319,648	9,362	(497,177)	200,449	(432,347)	23,970	588,638	186,489	739,579
Increase in customer deposits	-	-	-	-	-	-	-	-	814,156	814,156
Increase in compensated absences	7,126	13,843	-	30,933	-	106,613	31,109	1,538	69,601	260,763
Decrease in prepaid expense	3,708	-	-	57	-	3,612	-	-	1,162	8,539
Increase in OPEB liability	54,402	22,668	-	158,674	-	285,613	158,674	45,335	426,152	1,151,518
Decrease in insurance claims payable	(265,160)	(62,876)	(248,845)	-	-	-	-	-	-	(576,881)
Increase in pension related deferred inflows	158,931	97,006	-	345,674	-	946,470	352,469	86,432	880,332	2,867,314
Decrease in OPEB related deferred inflows	(3,424)	(1,396)	-	(9,988)	-	(17,979)	(9,988)	(2,854)	(26,826)	(72,455)
Total adjustments	107,682	661,772	(239,483)	(212,523)	4,032,213	4,094,283	171,507	23,965	2,477,534	11,116,950
Net cash provided by (used for) operating activities	$ (2,114,740)	$ 475,855	$ 28,652	$ (663,096)	$ 4,054,900	$ 2,301,756	$ 955,605	$ 52,974	$ 1,505,696	$ 6,597,602
Non-cash transactions:										
Change in restricted accounts payable	$ -	$ -	$ -	$ (45,785)	$ -	$ (60,728)	$ -	$ -	$ -	(106,513)
Increase in fair value of investments	21,945	16,680	6,256	526	24,068	25,759	6,183	19	60,988	162,424

GARLAND
TEXAS MADE HERE

CITY OF GARLAND, TEXAS
Statistical Section
(Unaudited)

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Financial Trends **128**

These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.

Revenue Capacity **134**

These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.

Debt Capacity **138**

These schedules contain information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

Demographic and Economic Information **143**

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.

Operating Information **145**

These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

City of Garland
Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)
(unaudited)

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Governmental activities										
Net investment in capital assets	$ 109,150,600	$ 95,930,730	$ 127,763,560	$ 125,858,168	$ 141,966,385	$ 150,422,234	$ 177,385,098	$ 183,437,109	$ 183,829,761	$ 237,358,502
Restricted	12,875,368	9,106,322	7,859,043	7,574,847	6,284,970	7,904,536	8,365,076	14,797,879	12,472,754	16,447,494
Unrestricted	32,036,457	39,027,078	1,315,954	6,157,462	11,717,842	7,879,932	699,772	(10,392,577)	13,235,542	5,851,385
Total governmental activities net position	$ 154,062,425	$ 144,064,130	$ 136,938,557	$ 139,590,477	$ 159,969,197	$ 166,206,702	$ 186,449,946	$ 187,842,411	$ 209,538,057	$ 259,657,381
Business-type activities										
Net investment in capital assets	$ 343,566,237	$ 346,557,013	$ 438,249,356	$ 365,960,688	$ 376,738,418	$ 393,233,982	$ 408,670,773	$ 426,347,930	$ 433,039,663	$ 430,385,905
Restricted	157,524,421	196,275,271	178,691,456	180,855,772	182,974,266	184,733,224	186,750,517	164,352,786	181,885,584	200,258,011
Unrestricted	118,212,758	118,547,358	53,537,669	123,189,978	124,110,995	91,707,333	61,283,046	66,062,217	106,130,672	138,206,756
Total business-type activities net position	$ 619,303,416	$ 661,379,642	$ 670,478,481	$ 670,006,438	$ 683,823,679	$ 669,674,539	$ 656,704,336	$ 656,762,933	$ 721,055,919	$ 768,850,672
Primary government										
Net investment in capital assets	$ 452,716,837	$ 442,487,743	$ 566,012,916	$ 491,818,856	$ 518,704,803	$ 543,656,216	$ 586,055,871	$ 609,785,039	$ 616,869,424	$ 667,744,407
Restricted	170,399,789	205,381,593	186,550,499	188,430,619	189,259,236	192,637,760	195,115,593	179,150,665	194,358,338	216,705,505
Unrestricted	150,249,215	157,574,436	54,853,623	129,347,440	135,828,837	99,587,265	61,982,818	55,669,640	119,366,214	144,058,141
Total primary government activities net position	$ 773,365,841	$ 805,443,772	$ 807,417,038	$ 809,596,915	$ 843,792,876	$ 835,881,241	$ 843,154,282	$ 844,605,344	$ 930,593,976	$ 1,028,508,053

City of Garland
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)
(unaudited)

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Expenses										
Governmental activities:										
General government	$ 29,640,148	$ 29,569,285	$ 29,243,108	$ 27,639,946	$ 28,672,583	$ 32,857,828	$ 33,421,800	$ 34,425,497	$ 37,666,863	$ 42,142,722
Public safety	90,653,595	90,755,164	92,128,110	91,105,170	93,438,294	103,855,466	107,419,896	108,420,934	120,253,380	120,243,599
Public works	42,540,513	41,666,670	40,870,496	41,893,889	42,473,055	46,703,808	39,356,985	42,764,067	46,038,188	48,199,894
Culture and recreation	21,566,920	20,805,012	21,442,173	20,820,273	21,780,835	24,405,765	24,743,188	24,323,627	28,281,367	26,708,528
Public health	3,881,311	4,018,652	4,322,827	4,105,273	4,401,399	4,819,386	4,682,394	4,405,451	5,144,733	5,072,234
Interest and fiscal charges	11,968,097	12,038,048	11,094,537	9,696,538	8,323,617	8,833,481	8,391,567	7,339,076	6,669,810	6,648,006
Total governmental activities expenses	200,250,584	198,852,831	199,101,251	195,261,089	199,089,783	221,475,734	218,015,830	221,678,652	244,054,341	249,014,983
Business-type activities:										
Electric	164,547,930	166,360,005	271,815,312	344,969,100	319,583,367	281,386,514	282,989,503	259,269,873	236,681,376	241,329,104
Water	38,602,207	40,702,500	43,758,542	46,952,415	48,965,136	54,403,015	58,299,626	64,111,798	65,530,161	67,600,465
Sewer	34,307,982	36,348,765	36,288,797	36,080,645	35,609,533	36,662,146	37,321,258	38,352,152	38,297,685	39,666,456
Golf	4,766,551	4,922,780	4,889,818	4,738,094	4,808,720	4,926,096	5,080,114	4,583,422	4,875,332	4,705,089
Heliport	30,292	85,480	5,365	5,329	5,351	5,350	5,344	5,315	19,060	23,272
Storm water management	3,669,785	3,519,113	3,926,814	3,996,717	3,949,180	3,878,831	3,842,023	4,292,213	4,206,675	4,285,236
Parks performance	965,305	1,022,947	964,590	1,031,470	1,113,223	1,233,076	1,259,287	1,248,760	1,159,836	705,424
Sanitation	16,045,778	16,972,881	16,965,951	17,415,020	17,085,912	17,786,836	17,841,828	18,485,025	19,991,136	20,979,102
Total business-type activities expenses	262,935,830	269,934,471	378,615,189	455,188,790	431,120,422	400,281,864	406,638,983	390,348,558	370,761,261	379,294,148
Total primary government expenses	$ 463,186,414	$ 468,787,302	$ 577,716,440	$ 650,449,879	$ 630,210,205	$ 621,757,598	$ 624,654,813	$ 612,027,210	$ 614,815,602	$ 628,309,131
Program Revenues										
Governmental activities:										
Charges for services:										
General government	$ 6,403,716	$ 6,761,126	$ 6,792,917	$ 6,771,546	$ 7,211,710	$ 8,235,397	$ 8,432,962	$ 9,910,970	$ 9,192,290	$ 9,512,403
Public safety	12,685,675	14,130,333	15,467,011	14,845,171	15,447,629	17,925,072	19,019,451	19,654,603	19,756,620	16,252,716
Public works	18,311,836	14,710,176	14,626,584	14,690,728	16,858,348	20,301,355	19,976,447	18,752,900	21,377,178	23,350,575
Culture and recreation	1,673,984	1,523,989	1,726,202	1,562,302	1,580,984	1,489,423	1,367,082	1,354,400	1,351,315	651,540
Public health	283,433	409,920	534,179	494,343	460,154	546,298	539,542	514,925	598,254	442,161
Operating grants and contributions	21,723,466	16,885,088	17,203,324	14,290,332	14,640,650	15,090,766	16,271,994	15,409,934	17,041,881	31,861,124
Capital grants and contributions	649,244	815,387	1,785,232	560,265	2,695,395	8,377,011	12,892,981	11,057,555	6,572,632	10,947,632
Total governmental activities program revenues	61,731,354	55,236,019	58,135,449	53,214,687	58,894,870	71,965,322	78,500,459	76,655,287	75,890,170	93,018,151
Business-type activities:										
Charges for services:										
Electric	222,638,789	222,228,397	296,866,570	376,657,906	338,473,487	278,334,789	279,846,202	287,169,337	291,458,932	284,768,630
Water	50,472,770	46,525,981	50,176,879	49,536,979	57,135,679	63,373,281	63,623,236	76,184,876	75,578,798	79,828,745
Sewer	41,809,811	42,172,904	41,831,894	43,460,465	43,609,415	44,628,715	44,237,184	43,902,151	46,737,430	47,421,755
Golf	3,596,869	3,724,490	3,677,689	3,630,768	3,528,120	3,577,522	3,964,942	3,708,057	3,770,352	3,365,566
Heliport	6,523	6,713	6,865	6,956	7,018	7,032	7,118	7,257	7,378	7,522
Storm water management	3,775,995	3,840,350	3,824,990	3,820,130	3,829,343	3,819,769	3,860,797	4,326,657	4,445,090	4,963,130
Parks performance	1,004,106	1,052,256	1,124,046	1,005,702	1,091,961	1,198,950	1,220,969	1,092,368	1,168,863	638,751
Sanitation	16,406,642	16,898,137	17,469,768	17,586,500	19,243,412	19,379,321	19,712,847	19,877,745	19,974,028	21,193,039
Operating grants and contributions	-	-	-	-	-	-	884,150	-	-	-
Capital grants and contributions	3,213,159	1,249,457	1,787,937	953,011	1,678,626	2,534,605	3,113,641	3,600,423	3,311,593	4,070,500
Total business-type activities program revenues	342,924,664	337,698,685	416,766,638	496,658,417	468,597,061	416,853,984	420,471,086	439,868,871	446,452,464	446,257,638
Total primary government program revenues	$ 404,656,018	$ 392,934,704	$ 474,902,087	$ 549,873,104	$ 527,491,931	$ 488,819,306	$ 498,971,545	$ 516,524,158	$ 522,342,634	$ 539,275,789

City of Garland
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)
(unaudited)

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Net (expense)/revenue										
Governmental activities	$ (138,519,230)	$ (143,616,812)	$ (140,965,802)	$ (142,046,402)	$ (140,194,913)	$ (149,510,412)	$ (139,515,371)	$ (145,023,365)	$ (168,164,171)	$ (155,996,832)
Business-type activities	79,988,834	67,764,214	38,151,449	41,469,627	37,476,639	16,572,120	13,832,103	49,520,313	75,691,203	66,963,490
Total primary government net expense	$ (58,530,396)	$ (75,852,598)	$ (102,814,353)	$ (100,576,775)	$ (102,718,274)	$ (132,938,292)	$ (125,683,268)	$ (95,503,052)	$ (92,472,968)	$ (89,033,342)
General Revenues and Other Changes in Net Assets										
Governmental activities:										
Taxes										
Property taxes	$ 72,960,307	$ 71,712,486	$ 71,160,273	$ 71,507,322	$ 74,345,310	$ 79,069,419	$ 87,329,443	$ 95,795,752	$ 106,255,121	$ 124,854,949
Sales taxes	21,609,756	22,684,164	23,537,389	24,667,765	26,497,069	30,234,776	29,894,875	30,129,008	31,035,747	30,527,171
Franchise taxes	8,255,818	7,887,388	8,646,942	9,091,491	8,832,022	8,452,280	8,746,777	8,912,728	8,510,877	7,003,961
Hotel/motel taxes	687,233	773,753	825,003	896,702	1,071,660	1,356,259	1,415,395	1,431,266	1,525,983	1,250,293
Mixed drink taxes	262,941	238,486	255,607	327,324	351,879	370,992	401,934	413,241	423,577	327,410
Bingo taxes	100,691	104,178	106,252	105,701	105,198	116,434	86,889	88,130	107,056	128,102
Unrestricted investment earnings	512,142	648,009	266,319	679,278	821,107	913,992	1,117,176	2,313,130	6,072,790	3,720,948
Miscellaneous	89,257	85,561	59,186	132,933	2,788,292	251,073	606,208	34,151	833,032	129,546
Transfers	29,975,230	29,484,492	30,796,507	39,628,270	32,236,236	34,982,692	30,159,918	40,394,892	35,095,634	38,173,776
Total governmental activities	134,453,375	133,618,517	135,653,478	147,036,786	147,048,773	155,747,917	159,758,615	179,512,298	189,859,817	206,116,156
Business-type activities:										
Unrestricted investment earnings	1,045,332	1,703,509	42,619	1,481,986	1,823,835	1,671,185	1,961,783	3,216,278	8,233,512	6,819,640
Miscellaneous	1,633,765	2,092,995	1,701,278	2,074,837	1,701,956	2,590,247	1,395,829	2,100,389	15,493,423	12,185,399
Transfers	(29,975,230)	(29,484,492)	(30,796,507)	(39,628,270)	(32,236,236)	(34,982,692)	(30,159,918)	(40,394,892)	(35,095,634)	(38,173,776)
Total business-type activities	(27,296,133)	(25,687,988)	(29,052,610)	(36,071,447)	(28,710,445)	(30,721,260)	(26,802,306)	(35,078,225)	(11,368,699)	(19,168,737)
Total primary government	$ 107,157,242	$ 107,930,529	$ 106,600,868	$ 110,965,339	$ 118,338,328	$ 125,026,657	$ 132,956,309	$ 144,434,073	$ 178,491,118	$ 186,947,419
Change in Net Position										
Governmental activities	$ (4,065,855)	$ (9,998,295)	$ (5,312,324)	$ 4,990,384	$ 6,853,860	$ 6,237,505	$ 20,243,244	$ 34,488,933	$ 21,695,646	$ 50,119,324
Business-type activities	52,692,701	42,076,226	9,098,839	5,398,180	8,766,194	(14,149,140)	(12,970,203)	14,442,088	64,322,504	47,794,753
Cumulative effect of change in acctg principle	-	-	-	(8,208,687)	18,575,907	-	-	(47,479,959)	(29,518)	-
Total primary government	$ 48,626,846	$ 32,077,931	$ 3,786,515	$ 2,179,877	$ 34,195,961	$ (7,911,635)	$ 7,273,041	$ 1,451,062	$ 85,988,632	$ 97,914,077

Table 3

City of Garland
Governmental Activities Tax Revenues by Source
Last Ten Fiscal Years
(accrual basis of accounting)
(unaudited)

Fiscal Year	Property Tax	Sales Tax	Franchise Tax	Hotel/Motel Tax	Mixed Drink Tax	Bingo Tax	Total
2011	$ 72,960,307	$ 21,609,756	$ 8,255,818	$ 687,233	$ 262,941	$ 100,691	$ 103,876,746
2012	71,712,486	22,684,164	7,887,388	773,753	238,486	104,178	103,400,455
2013	71,160,273	23,537,389	8,646,942	825,003	255,607	106,252	104,531,466
2014	71,507,322	24,667,765	9,091,491	896,702	327,324	105,701	106,596,305
2015	74,345,310	26,497,069	8,832,022	1,071,660	351,879	105,198	111,203,138
2016	79,069,419	30,234,776 *	8,452,280	1,356,259	370,992	116,434	119,600,160
2017	87,329,443	29,894,875	8,746,777	1,415,395	401,934	86,889	127,875,313
2018	95,795,752	30,129,008	8,912,728	1,431,266	413,241	88,130	136,770,125
2019	106,255,121	31,035,747	8,510,877	1,525,983	423,577	107,056	147,858,361
2020	124,854,949	30,527,171	7,003,961	1,250,293	327,410	128,102	164,091,886

* Sales tax includes a one-time audit adjustment of $1,267,967.

City of Garland
Fund Balances of Government Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)
(unaudited)

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Fund										
Nonspendable	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 42,686	$ 2,216
Restricted for construction	762,541	758,444	1,531,005	135,552	820,577	851,283	762,777	2,661,895	1,758,414	2,072,994
Committed	-	-	-	-	-	-	-	11,399,953	7,650,641	13,340,757
Assigned	4,730,000	4,730,000	4,480,000	4,230,000	3,980,000	3,730,000	3,480,000	3,230,000	3,230,000	14,067,692
Unassigned	13,881,953	16,575,077	18,252,865	21,364,117	20,944,205	22,467,723	30,955,648	17,641,489	23,139,762	23,171,802
Total general fund	$ 19,374,494	$ 22,063,521	$ 24,263,870	$ 25,729,669	$ 25,744,782	$ 27,049,006	$ 35,198,425	$ 34,933,337	$ 35,821,503	$ 52,655,461
All other government funds										
Non spendable:										
Prepaid	$ 902,142	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 4,179,824	$ -
Restricted for:										
General government	1,122,223	39,730,596	33,393,625	22,931,442	344,704	460,690	619,178	3,728,181	4,188,943	4,498,658
Debt service	6,265,763	5,241,033	6,314,007	7,843,714	6,235,664	5,729,738	6,298,049	6,556,425	5,589,684	6,724,308
Parks construction	-	-	-	-	115,016	368,549	961,391	581,433	918,946	-
Streets and drainage	-	-	-	-	68,129	2,748,505	11,292,276	2,222,061	-	-
Public facilities	-	-	-	-	42,207,841	36,664,668	38,207,888	38,421,468	28,975,889	35,317,431
Other capital projects	3,577,680	1,774,748	1,727,296	1,035,676	6,921,928	237,619	828,678	-	-	-
Housing assistance	1,305,371	984,567	935,202	570,169	1,005,267	1,354,176	1,176,106	2,113,317	1,898,867	3,943,520
Public safety	-	53,785	-	-	786,043	798,548	567,248	310,362	278,305	216,452
Committed for:										
Neighborhood services	303,531	332,670	444,858	453,849	426,644	528,668	512,220	-	-	-
Culture & recreation					1,963,149	2,273,584	2,531,681	-	-	-
Landfill closure	1,429,229	1,615,772	1,934,063	2,149,180	197,263	25,631	25,932	-	-	-
Public works and infrastructure	4,240,615	4,626,022	5,006,527	5,404,617	6,643,558	7,352,692	6,628,149	8,155,937	10,207,382	12,382,296
Assigned for:										
General government	-	-	-	-	-	-	-	9,755,580	8,704,005	7,860,555
Unassigned										
Capital project funds	(5,016,257)	-	-	-	-	-	-	-	-	-
Nonmajor governmental funds	-	-	-	(5,500)	-	-	-	(24,480)	(96,565)	(10,130)
Total all other governmental funds	$ 14,130,297	$ 54,359,193	$ 49,755,578	$ 40,383,147	$ 66,915,206	$ 58,543,068	$ 69,648,796	$ 71,820,284	$ 64,845,280	$ 70,933,090

Note: The City implemented GASB 54 "Fund Balance Reporting and Governmental Fund Type Definitions" in fiscal year 2011.

In 2018, fund balances associated with Infrastructure, Public Health, and Economic Development was designated as committed.

City of Garland
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)
(unaudited)

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Revenues										
Taxes	$ 95,523,675	$ 95,535,319	$ 95,793,994	$ 97,585,254	$ 102,157,106	$ 110,932,701	$ 119,054,419	$ 127,764,097	$ 139,137,219	$ 156,944,579
Franchise fees	8,255,818	7,887,388	8,646,942	9,091,491	8,832,022	8,452,280	8,746,777	8,912,728	8,510,877	7,003,961
Service charges	18,102,510	20,411,968	20,239,605	20,791,739	22,040,585	26,789,030	26,037,157	27,082,445	30,359,398	30,165,738
Licenses and permits	2,893,000	3,751,589	3,393,137	3,781,703	3,860,441	4,906,892	5,201,460	4,488,052	4,869,605	4,586,832
Investment earnings	384,119	482,567	243,088	529,912	607,191	625,129	837,061	1,703,775	4,421,741	2,832,265
Intergovernmental	20,304,725	15,573,047	16,079,825	13,450,076	13,692,567	14,656,626	14,628,063	16,237,327	16,922,301	32,366,750
Charges for services	7,871,534	8,010,474	7,973,376	8,002,858	8,576,934	8,975,685	9,426,444	9,819,344	10,126,440	10,334,101
Fines and forfeits	5,097,867	6,110,138	6,955,299	6,730,988	6,608,238	7,521,426	8,586,513	7,234,696	6,724,195	3,362,932
Rents and concessions	762,914	788,504	804,298	833,456	829,410	748,504	745,942	771,769	754,648	499,969
Assessments	34,223	61,182	61,779	77,710	195,043	82,743	39,797	39,872	48,442	28,168
Impact fees	289,553	368,620	377,520	380,120	1,405,625	714,624	1,640,837	1,441,120	1,769,149	2,305,938
Contributions	5,219,595	31,881	-	-	30,847	151,654	-	-	-	-
Program income	193,209	376,059	365,103	292,533	408,698	740,485	360,193	1,405,285	517,753	764,150
Special event income	174,578	-	216,026	-	-	-	-	-	-	-
Miscellaneous	2,248,086	998,201	2,342,106	815,199	1,358,754	4,879,561	12,237,187	6,620,881	3,062,947	5,210,525
Awards	467,831	573,187	192,737	230,571	334,576	218,681	291,479	160,403	237,120	101,224
Total Revenues	167,823,237	160,960,124	163,684,835	162,593,610	170,938,037	190,396,021	207,833,329	213,681,794	227,461,835	256,507,132
Expenditures										
General government	9,415,810	9,339,438	9,820,852	10,066,773	10,335,083	12,471,750	11,784,388	12,083,845	12,346,659	12,643,915
Public safety	77,463,425	77,639,802	78,338,393	79,341,146	81,633,191	87,878,926	89,743,140	95,537,161	100,113,212	102,099,911
Public works	19,151,977	18,457,911	17,391,246	19,617,640	20,656,938	22,529,626	22,329,429	27,150,168	18,680,546	19,234,473
Culture and recreation	13,245,845	12,794,896	13,218,113	13,371,187	13,573,292	14,366,431	15,083,685	16,471,742	17,562,268	16,469,559
Public health	3,174,073	3,364,592	3,579,737	3,606,072	3,763,652	3,885,801	3,801,719	3,833,685	4,003,801	4,037,036
Nondepartmental	18,695,922	19,086,070	21,243,401	20,992,758	23,629,265	26,805,888	24,798,432	27,873,387	26,718,604	26,661,783
Operations	17,392,687	16,978,956	15,974,313	15,229,201	14,635,127	15,326,008	15,376,461	16,288,216	17,966,870	23,211,661
Capital Outlay	19,475,793	12,977,724	18,460,127	30,798,802	18,359,468	29,638,166	30,314,161	46,444,414	64,584,868	67,491,361
Debt service										
Principal	16,165,582	17,922,725	17,370,398	20,108,094	19,810,813	21,600,000	21,980,000	24,785,000	26,940,000	27,695,000
Interest	10,215,634	8,991,405	11,900,025	9,949,833	9,078,192	10,308,594	8,939,092	9,706,544	9,478,699	10,436,805
Issue costs on issuance of debt	107,306	1,038,554	307,935	311,537	313,973	-	490,612	-	291,431	11,355
Other charges	758,265	454,846	339,837	72,285	406,218	300,280	319,197	415,626	465,961	502,281
Total expenditures	205,262,319	199,046,919	207,944,377	223,465,328	216,195,212	245,111,470	244,960,316	280,589,788	299,152,919	310,495,140
Excess of revenues over (under) expenditures	(37,439,082)	(38,086,795)	(44,259,542)	(60,871,718)	(45,257,175)	(54,715,449)	(37,126,987)	(66,907,994)	(71,691,084)	(53,988,008)
Other financing sources (uses)										
Sale of capital assets	25,747	117,097	528,187	1,232,275	167,619	624,725	557,911	68,888	1,190,890	153,276
Transfers in	47,439,233	42,083,177	37,847,598	50,731,130	49,149,623	44,272,571	49,444,705	66,566,899	65,530,207	80,903,202
Transfers out	(16,395,360)	(12,675,653)	(7,209,853)	(8,541,923)	(19,724,709)	(14,019,482)	(19,708,769)	(26,253,518)	(26,375,285)	(43,540,870)
Issuance of debt	2,545,000	46,245,000	10,835,000	9,110,000	40,370,000	14,765,000	23,490,000	25,365,000	21,775,000	34,975,000
Premium on issuance of debt	280,745	4,905,097	1,165,344	1,447,424	3,081,644	2,004,721	10,211,911	3,067,125	7,458,657	4,618,549
Refunding proceeds	4,655,000	17,365,000	6,650,000	17,515,000	34,525,000	-	55,425,000	-	34,905,000	1,170,000
Payment to bond refunding agent	(4,432,030)	(17,035,000)	(7,960,000)	(18,528,820)	(35,764,832)	-	(63,038,619)	-	(38,880,223)	(1,369,381)
Total other financing sources (uses)	34,118,335	81,004,718	41,856,276	52,965,086	71,804,345	47,647,535	56,382,139	68,814,394	65,604,246	76,909,776
Net change in fund balances	$ (3,320,747)	$ 42,917,923	$ (2,403,266)	$ (7,906,632)	$ 26,547,170	$ (7,067,914)	$ 19,255,152	$ 1,906,400	$ (6,086,838)	$ 22,921,768
Debt service as a percentage of noncapital expenditures	14.20%	14.46%	15.45%	15.60%	14.60%	14.81%	14.40%	14.73%	15.53%	15.69%

Table 6

City of Garland
Assessed Value and Actual Value of Taxable Property
Last Ten Fiscal Years
(unaudited)

Fiscal Year Ended September 30,	Residential Property	Commercial Property	Industrial Property	Less: Tax-Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate
2011	$ 7,189,739,690	$ 4,456,246,940	$ 868,476,430	$ 2,162,392,225	$ 10,352,070,835	0.7046
2012	7,073,235,060	4,482,821,460	856,956,640	2,292,980,261	10,120,032,899	0.7046
2013	6,925,794,480	4,465,116,770	925,935,130	2,347,404,371	9,969,442,009	0.7046
2014	6,900,021,740	4,679,026,760	879,388,670	2,425,139,035	10,033,298,135	0.7046
2015	7,113,456,210	4,928,351,740	841,096,940	2,456,451,404	10,426,453,486	0.7046
2016	7,636,480,700	5,189,352,440	829,469,960	2,573,293,675	11,082,009,425	0.7046
2017	8,807,329,810	5,738,601,110	873,666,970	3,086,963,695	12,332,634,195	0.7046
2018	9,710,744,870	6,070,137,390	928,053,960	3,257,290,309	13,451,645,911	0.7046
2019	11,154,489,960	6,558,625,310	941,717,780	3,718,523,856	14,936,309,194	0.7046
2020	11,816,598,780	7,166,662,540	1,085,747,000	4,022,787,704	16,046,220,616	0.7696

Note: Total Taxable Assessed Value represents the original certified taxable value. It does not include valuation of protested property at certification date.

Source: City of Garland, Texas - Tax Office

City of Garland
Property Tax Rates
Direct and Overlapping Governments
Last Ten Fiscal Years
(unaudited)

	City Direct Rates			Overlapping Rates*												
Fiscal Year	General Fund	Debt Service Fund	Total Direct	Garland Independent School District	Dallas County	Dallas County Hospital District	Dallas County Community College District	Dallas Independent School District	Dallas County Schools	Richardson Independent School District	Mesquite Independent School District	Collin County	Collin County Community College District	Plano Independent School District	Rockwall Independent School District	Rockwall County
2011	$ 0.3940	$ 0.3106	$ 0.7046	$ 1.2533	$ 0.2431	$ 0.2710	$ 0.0992	$ 1.2378	$ -	$ 1.3401	$ 1.4200	$ 0.2400	$ 0.0863	$ 1.3534	$ -	$ -
2012	0.3940	0.3106	0.7046	1.2533	0.2531	0.2710	0.0997	1.2903	0.0100	1.3401	1.4200	0.2400	0.0863	1.3734	-	-
2013	0.3940	0.3106	0.7046	1.2533	0.2431	0.2710	0.1194	1.2903	0.0100	1.3401	1.4200	0.2400	0.0863	1.3734	-	-
2014	0.3940	0.3106	0.7046	1.2533	0.2431	0.2760	0.1247	1.2821	0.0100	1.3401	1.4200	0.2375	0.0836	1.4530	-	-
2015	0.3940	0.3106	0.7046	1.2533	0.2431	0.2860	0.1247	1.2821	0.0100	1.3400	1.4100	0.2350	0.0820	1.4480	-	-
2016	0.3940	0.3106	0.7046	1.2533	0.2431	0.2860	0.1247	1.2821	0.0100	1.3400	1.4100	0.2350	0.0820	1.4480	-	-
2017	0.3940	0.3106	0.7046	1.4600	0.2431	0.2794	0.1229	1.2821	0.0093	1.3901	1.4600	0.2084	0.0812	1.4390	-	-
2018	0.3940	0.3106	0.7046	1.4600	0.2431	0.2794	0.1240	1.4120	0.0090	1.5200	1.5200	0.1810	0.0810	1.4390	1.4300	0.3280
2019	0.3940	0.3106	0.7046	1.4600	0.2431	0.2794	0.1240	1.4120	0.0090	1.5200	1.5200	0.1810	0.0810	1.4390	1.4300	0.3280
2020	0.3940	0.3756	0.7696	1.3463	0.2397	0.2661	0.1240	1.2967	0.0100	1.3100	1.4464	0.1725	0.0812	1.3238	1.4047	0.3131

Source: City of Garland, Texas - Tax Office and State of Texas Comptroller Office

Note: The City's basic tax rate cannot exceed $2.50 per $100 assessed value.

* Overlapping rates are those of local and county governments that apply to property owners within the City of Garland. Not all overlapping rates apply to all City of Garland property owners; for example, although the county property tax rates apply to all city property owners, the Mesquite Independent School District rates apply only to property owners whose property is located within that districts' geographic boundaries.

City of Garland
Principal Property Tax Payers
Current Year and Nine Years Ago
(unaudited)

Taxpayer	2020 Taxable Assessed Valuation	2020 Rank	2020 Percent of Total City Taxable Assessed Value	2011 Taxable Assessed Valuation	2011 Rank	2011 Percent of Total City Taxable Assessed Value
Kraft Heinz Food Company	$ 111,388,300	1	0.68%	$ 41,920,007	7	0.40%
Simon Property Group	105,250,000	2	0.64%	99,254,710	2	0.95%
Ragingwire Data Centers Inc	74,168,700	3	0.45%	-		-
Worthing Campfire LP	58,320,610	4	0.36%	-		-
Ragingwire Data Centers Inc	56,658,890	5	0.35%	-		-
Western RIM Investors 2015-3 LP	45,142,300	6	0.28%	-		-
Atmos Energy Mid Tex Public Utility	44,742,840	7	0.27%	-		-
BR Archco Domain Ph1 LLC	44,223,710	8	0.27%	-		-
Western RUN Investors 2015-2 LP	43,343,730	9	0.27%	-		-
Plastipak Packaging	43,028,724	10	0.26%	66,999,904	4	0.64%
Walmart/Sam's Club	-		-	104,150,300	1	1.00%
Atlas Copco Drilling Solutions	-		-	80,921,790	3	0.78%
Westdale Property Group	-		-	56,281,510	5	0.54%
Verizon	-		-	54,653,540	6	0.52%
Valspar Engineered Polymer	-		-	41,703,010	8	0.40%
SST Truck Co LLC	-		-	41,476,091	9	0.40%
Sears Roebuck and Co.	-		-	40,936,775	10	0.39%
	$ 626,267,804		3.83%	$ 628,297,637		6.02%

Source: City of Garland, Texas - Tax Office

Table 9

City of Garland
Property Tax Levies and Collections
Last Ten Fiscal Years
(unaudited)

Fiscal Year Ended September 30,	Taxes Levied for the Fiscal Year	Collections within Fiscal Year of the Levy		Collections & Adjustments in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2011	$ 73,103,186	$ 72,238,056	98.82%	$ 825,001	$ 73,063,057	99.95%
2012	71,301,935	70,589,967	99.00%	673,815	71,263,782	99.95%
2013	70,801,851	70,130,748	99.05%	631,761	70,762,509	99.94%
2014	71,071,583	70,536,234	99.25%	491,226	71,027,460	99.94%
2015	73,798,105	73,250,492	99.26%	489,342	73,739,834	99.92%
2016	78,610,052	78,025,905	99.26%	495,114	78,521,019	99.89%
2017	86,774,848	86,089,470	99.21%	531,071	86,620,541	99.82%
2018	95,302,690	94,597,181	99.26%	492,642	95,089,823	99.78%
2019	105,747,469	104,849,923	99.15%	485,212	105,335,135	99.61%
2020	124,526,948	123,427,570	99.12%	-	123,427,570	99.12%

Source: City of Garland, Texas - Tax Office and Financial Services

City of Garland
Ratios of Outstanding Debt by Year
Last Ten Fiscal Years
(unaudited)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
GOVERNMENTAL ACTIVITIES										
General Government										
General Obligation Bonds	$ 172,775,415	$ 225,628,652	$ 208,456,051	$ 195,362,128	$ 201,764,579	$ 183,515,056	$ 187,493,295	$ 165,534,662	$ 142,845,624	$ 145,969,279
Certificates of Obligation	48,268,665	33,650,768	42,478,233	43,498,236	56,061,573	67,278,178	65,614,844	87,129,637	103,274,963	107,105,467
Other Obligations	124,145	95,342	65,098	33,343	-	-	-	-	-	-
Total	221,168,225	259,374,762	250,999,382	238,893,707	257,826,152	250,793,234	253,108,139	252,664,299	246,120,587	253,074,746
Percentage of Personal Income	3.38%	5.17%	4.94%	4.67%	5.08%	4.67%	4.51%	4.58%	4.22%	4.12%
Per Capita	971	1,137	1,084	1,024	1,099	1,063	1,069	1,060	1,027	1,042
Internal Services										
General Obligation Bonds	$ 917,060	$ 940,087	$ 881,894	$ 1,868,920	$ 1,561,225	$ 1,287,166	$ 5,943,831	$ 5,555,243	$ 18,534,641	$ 16,674,844
Certificates of Obligation	35,561,335	33,348,720	31,646,677	28,445,303	26,167,129	25,940,730	19,695,033	17,994,195	3,749,604	4,554,045
Total	36,478,395	34,288,807	32,528,571	30,314,223	27,728,354	27,227,896	25,638,864	23,549,438	22,284,245	21,228,889
Percentage of Personal Income	0.56%	0.68%	0.64%	0.59%	0.55%	0.51%	0.46%	0.43%	0.38%	0.35%
Per Capita	160	150	140	130	118	115	108	99	93	87.39
Total Governmental Activities										
General Obligation Bonds	$ 173,692,475	$ 226,568,739	$ 209,337,945	$ 197,231,048	$ 203,325,804	$ 184,802,222	$ 193,437,126	$ 171,089,905	$ 161,380,265	$ 162,644,123
Certificates of Obligation	83,830,000	66,999,488	74,124,910	71,943,539	82,228,702	93,218,908	85,309,877	105,123,832	107,024,567	111,659,512
Other Obligations	124,145	95,342	65,098	33,343	-	-	-	-	-	-
Total	257,646,620	293,663,569	283,527,953	269,207,930	285,554,506	278,021,130	278,747,003	276,213,737	268,404,832	274,303,635
Percentage of Personal Income	3.93%	5.86%	5.57%	5.26%	5.62%	5.18%	4.97%	4.92%	4.61%	4.46%
Per Capita	1,131	1,288	1,224	1,154	1,218	1,179	1,177	1,159	1,120	1,129
BUSINESS-TYPE ACTIVITIES										
Revenue Bonds	$ 316,815,000	$ 316,972,656	$ 307,357,705	$ 406,859,556	$ 381,487,963	$ 356,430,875	$ 371,429,037	$ 427,244,016	$ 560,632,179	$ 749,207,794
General Obligation Bonds	81,170,000	76,992,004	68,356,211	59,942,513	48,745,628	38,143,825	28,335,233	18,829,023	10,697,916	11,777,670
Certificates of Obligation	131,930,000	141,434,684	140,813,081	143,258,324	200,060,219	188,467,493	175,497,335	162,615,617	146,366,550	3,744,894
Commercial Paper	-	10,000,000	80,000,000	15,000,000	35,000,000	89,910,000	163,280,000	159,440,000	100,500,000	100,500,000
Other Obligations	-	179,335	-	-	-	-	-	-	-	-
Total	529,915,000	545,578,679	596,526,997	625,060,393	665,293,810	672,952,193	738,541,605	768,128,656	818,196,645	865,230,358
Percentage of Personal Income	8.09%	10.89%	11.73%	12.21%	13.10%	12.54%	13.16%	13.92%	14.82%	14.07%
Per Capita	2,327	2,392	2,575	2,680	2,837	2,853	3,119	3,223	3,414	3,562
Total Primary Government	$ 787,561,620	$ 839,242,248	$ 880,054,950	$ 894,268,323	$ 950,848,316	$ 950,973,323	$ 1,017,288,608	$ 1,044,342,393	$ 1,086,601,477	$ 1,139,533,993
Percentage of Personal Income	12.02%	16.74%	17.30%	17.46%	18.72%	17.72%	18.13%	18.92%	18.65%	18.53%
Per Capita	3,458	3,680	3,800	3,835	4,054	4,032	4,296	4,383	4,533	4,691

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

See the Schedule of Demographic and Economic Statistics for personal income and population data.

It should be noted that a substantial portion of the debt associated with Business-Type activities is related to the Electric Utility and includes debt associated with transmission line projects that will allow the utility to receive additional transmission revenue from the Electric Reliability Council of Texas ratepayers.

City of Garland
Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years
(unaudited)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
GOVERNMENTAL ACTIVITIES										
General Government										
General Obligation Bonds	$ 172,775,415	$ 225,628,652	$ 208,456,051	$ 195,362,128	$ 201,764,579	$ 183,515,056	$ 187,493,295	$ 165,534,662	$ 142,845,624	$ 145,969,279
Certificates of Obligation	48,268,665	33,650,768	42,478,233	43,498,236	56,061,573	67,278,178	65,614,844	87,129,637	103,274,963	107,105,467
Less: Amount Available in Debt Service Fund	4,856,364	2,206,544	4,691,533	6,486,930	4,578,281	4,578,281	5,239,767	5,304,131	4,348,225	5,720,083
Total	216,187,716	257,072,876	246,242,751	232,373,434	253,247,871	246,214,953	247,868,372	247,360,168	241,772,362	247,354,663
Percentage of Estimated Actual Taxable Value of Property	2.09%	2.54%	2.47%	2.32%	2.43%	2.22%	2.01%	1.84%	1.62%	1.54%
Per Capita	949	1,127	1,063	996	1,080	1,044	1,047	1,038	1,009	1,018.28
Internal Services										
General Obligation Bonds	$ 917,060	$ 940,087	$ 881,894	$ 1,868,920	$ 1,561,225	$ 1,287,166	$ 5,943,831	$ 5,555,243	$ 18,534,641	$ 16,674,844
Certificates of Obligation	35,561,335	33,348,720	31,646,677	28,445,303	26,167,129	25,940,730	19,695,033	17,994,195	3,749,604	4,554,045
Total	36,478,395	34,288,807	32,528,571	30,314,223	27,728,354	27,227,896	25,638,864	23,549,438	22,284,245	21,228,889
Percentage of Estimated Actual Taxable Value of Property	0.35%	0.34%	0.33%	0.30%	0.27%	0.25%	0.21%	0.18%	0.15%	0.13%
Per Capita	160	150	140	130	118	115	108	99	93	87.39
Total Governmental Activities										
General Obligation Bonds	$ 173,692,475	$ 226,568,739	$ 209,337,945	$ 197,231,048	$ 203,325,804	$ 184,802,222	$ 193,437,126	$ 171,089,905	$ 161,380,265	$ 162,644,123
Certificates of Obligation	83,830,000	66,999,488	74,124,910	71,943,539	82,228,702	93,218,908	85,309,877	105,123,832	107,024,567	111,659,512
Less: Amount Available in Debt Service Fund	4,856,364	2,206,544	4,691,533	6,486,930	4,578,281	4,578,281	5,239,767	5,304,131	4,348,225	5,720,083
Total	252,666,111	291,361,683	278,771,322	262,687,657	280,976,225	273,442,849	273,507,236	270,909,606	264,056,607	268,583,552
Percentage of Estimated Actual Taxable Value of Property	2.44%	2.88%	2.80%	2.62%	2.69%	2.47%	2.22%	2.01%	1.77%	1.67%
Per Capita	1,110	1,278	1,204	1,126	1,198	1,159	1,155	1,137	1,102	1,106
BUSINESS-TYPE ACTIVITIES										
General Obligation Bonds	$ 81,170,000	$ 76,992,004	$ 68,356,211	$ 59,942,513	$ 48,745,628	$ 38,143,825	$ 28,335,233	$ 18,829,023	$ 10,697,916	$ 11,777,670
Certificates of Obligation	131,930,000	141,434,684	140,813,081	143,258,324	200,060,219	188,467,493	175,497,335	162,615,617	146,366,550	3,744,894
Total	213,100,000	218,426,688	209,169,292	203,200,837	248,805,847	226,611,318	203,832,568	181,444,640	157,064,466	15,522,564
Percentage of Estimated Actual Taxable Value of Property	2.06%	2.16%	2.10%	2.03%	2.39%	2.04%	1.65%	1.35%	1.05%	0.10%
Per Capita	936	958	903	871	1,061	961	861	761	655	64
Total Primary Government	$ 465,766,111	$ 509,788,371	$ 487,940,614	$ 465,888,494	$ 529,782,072	$ 500,054,167	$ 477,339,804	$ 452,354,246	$ 421,121,073	$ 284,106,116
Percentage of Estimated Actual Taxable Value of Property	4.50%	5.04%	4.89%	4.64%	5.08%	4.51%	3.87%	3.36%	2.82%	1.77%
Per Capita	2,045	2,235	2,107	1,998	2,259	2,120	2,016	1,898	1,757	1,170

This report reflects changes made to the General Obligation Debt column to properly report the total amount of general obligation debt outstanding each year.

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

See the Schedule of Assessed Value and Estimated Actual Value of Taxable Property for property value data.

See the Schedule of Demographic and Economic Statistics for population data.

Total tax-supported debt (including commercial paper) is maintained so as not to exceed five percent (5%) of the total assessed valuation of taxable property. The City is currently below the threshold.

City of Garland
Estimated Direct and Overlapping Governmental Activities Debt
September 30, 2020
(unaudited)

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable*	Estimated Share of Overlapping Debt
Debt repaid with property taxes			
Garland Independent School District	$ 554,170,000	69.03%	$ 382,543,551
Collin County	392,565,000	0.02%	78,513
Collin County Community College District	246,415,000	0.02%	49,283
Dallas County	166,685,000	5.81%	9,684,399
Dallas County Community College District	182,800,000	5.81%	10,620,680
Dallas County Hospital District	687,775,000	5.81%	39,959,728
Dallas County Schools	33,815,000	5.81%	1,964,652
Dallas Independent School District	2,690,275,000	0.18%	4,842,495
Richardson Independent School District	528,334,992	3.40%	17,963,390
Plano Independent School District	855,305,000	0.05%	427,653
Mesquite Independent School District	637,013,142	1.95%	12,421,756
Rockwall County	92,120,000	0.01%	9,212
Rockwall Independent School District	515,570,826	0.01%	51,557
Subtotal, overlapping debt			480,616,869
City direct debt			274,303,635
Total estimated direct and overlapping debt			$ 754,920,504

Sources: This statement was developed from information contained in "Texas Municipal Reports" published by the Municipal Advisory Council of Texas. Except for the amounts relating to the City, the City has not independently verified the accuracy or completeness of such information, and no person should rely upon such information as being accurate or complete. Furthermore, certain of the entities listed may have issued additional bonds since the date hereof, and such entities may have programs requiring the issuance of substantial amounts of additional bonds, the amount of which cannot be determined.

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City of Garland. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

* The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of the overlapping government's taxable assessed value that is within the City's boundaries and dividing it by the government's total taxable assessed value.

City of Garland
Legal Debt Margin Information
September 30, 2020
(unaudited)

As a home rule city, the City of Garland is not limited by the law in the amount of debt it may issue. The City's charter (section 9.1) states:

> The Council shall have power to levy, for general purposes, an ad valorem tax on real, personal, and mixed property within the territory of the City of Garland, not exempt from taxation by the Constitution and laws of the State of Texas, based upon its true value as provided by law, to the extent of the constitutional limit permitted by the State of Texas to cities of over five thousand (5,000) population, and which said tax shall embrace all taxes for municipal purposes.

The City tax rate limitation is $2.50 per $100 assessed value. The tax rate for FY20 is $.7696 per $100.00 assessed value.

City of Garland
Pledged Revenue Coverage
Last Ten Fiscal Years
(unaudited)

Table 14

Fiscal Year	Electric Utility System Revenue Bonds						Water & Sewer Utility System Revenue Bonds					
	Gross Revenues (1)	Less: Operation & Maintenance Expenses (2)	Net Available Revenue (3)	Average Annual Debt Service (4) Principal	Average Annual Debt Service (4) Interest	Times Coverage (5)	Gross Revenues (1)	Less: Operation & Maintenance Expenses (2)	Net Available Revenue (3)	Average Annual Debt Service (4) Principal	Average Annual Debt Service (4) Interest	Times Coverage (5)
2011	$ 224,359,813	$ 131,750,369	$ 92,609,444	$ 5,212,750	$ 2,082,419	12.69	$ 93,004,750	$ 49,155,966	$ 43,848,784	$ 10,628,000	$ 4,374,209	2.92
2012	225,093,999	133,939,385	91,154,614	5,095,000	1,887,700	13.05	89,386,493	52,500,437	36,886,056	10,441,750	3,965,662	2.56
2013	297,758,202	241,171,931	56,586,271	5,076,111	1,607,330	8.47	92,710,455	55,799,905	36,910,550	10,313,500	3,458,475	2.68
2014	378,621,613	312,954,736	65,666,877	8,526,750	3,792,817	5.33	94,387,130	58,667,658	35,719,472	10,453,000	3,553,678	2.55
2015	341,110,573	283,279,931	57,830,642	8,516,316	3,446,312	4.83	101,420,086	60,211,698	41,208,388	10,383,684	3,280,082	3.02
2016	281,736,385	215,335,038	66,401,347	8,501,667	3,238,345	5.66	108,715,199	64,324,054	44,391,145	10,266,667	3,001,013	3.35
2017	282,850,756	214,058,309	68,792,447	8,972,750	3,549,664	5.49	108,584,843	68,288,444	40,296,399	9,820,000	2,673,950	3.23
2018	291,082,253	222,169,714	68,912,539	6,498,500	2,898,333	7.33	121,117,757	75,803,079	45,314,678	10,067,250	3,366,458	3.37
2019	308,374,453	182,328,918	126,045,535	10,906,333	6,573,272	7.21	124,177,631	75,537,223	48,640,408	10,109,211	3,062,276	3.69
2020	304,193,708	187,470,836	116,722,872	16,012,833	8,699,056	4.72	128,696,808	77,761,673	50,935,135	10,114,000	3,059,411	3.87

Note: Details regarding the government's outstanding debt can be found in the notes to the financial statements.
(1) Gross revenue includes all operating and non-operating revenues.
(2) Operations and maintenance expenses includes all reported operating expenses less depreciation, amortization of other assets, and the actuarial determined pension and OPEB expenses reflected under the salaries and benefits line item of the financial statements.
(3) Net available revenue represents gross revenues of the system less the operation and maintenance expenses incurred during the fiscal year.
(4) Average annual debt service for all outstanding prior lien revenue bonds and outstanding revenue bonds similarly secured.
(5) The Electric and Water & Sewer bond ordinances require that net available revenues of the systems be at least 1.25 times the average annual principle and interest requirements.

Table 15

City of Garland
Demographic and Economic Statistics
Last Ten Fiscal Years
(unaudited)

Fiscal Year	Population	Personal Income (000's)	Per Capita Personal Income	Median Age	Education Level in Years of Formal Schooling	School Enrollment	Unemployment Rate
2011	227,726	6,550,994	$ 28,767	33.2	12.9	57,833	7.8%
2012	228,060	5,012,075	21,977	33.7	12.9	58,151	6.3%
2013	231,618	5,085,868	21,958	33.7	12.9	58,059	6.4%
2014	233,206	5,120,737	21,958	33.4	12.9	58,059	5.1%
2015	234,533	5,080,219	21,661	33.4	12.9	58,000	4.0%
2016	235,885	5,366,620	22,751	33.8	12.9	55,100	3.8%
2017	236,786	5,611,118	23,697	34.5	12.9	57,000	3.3%
2018	238,293	5,519,819	23,164	35.3	12.9	56,471	3.4%
2019	239,684	5,827,437	24,313	34.1	12.9	56,471	3.1%
2020	242,914	6,148,153	25,310	34.3	12.9	55,848	7.4%

Sources: City of Garland, Texas - Planning Department, U. S. Census, Garland Independent School District, Garland Chamber of Commerce, and Texas Employment Commission

City of Garland
Principal Employers
Current Year and Nine Years Ago
(unaudited)

	2020			2011		
Employer	**Employees**	**Rank**	**Percentage of Total City Employment**	**Employees**	**Rank**	**Percentage of Total City Employment**
Kraft Foods	796	1	0.63%	-		-
US Food Service	520	2	0.41%	500	5	0.50%
Atlas Copco	460	3	0.37%	420	6	0.42%
SilverLine Window	425	4	0.34%	-		-
Hatco (Resistol)	390	5	0.31%	386	7	0.38%
L3 Communications	350	6	0.28%	300	10	0.30%
Arrow Fabricated Tubing	340	7	0.27%	-		-
Valspar	300	8	0.24%	-		-
KARLEE, Inc	290	9	0.23%	-		-
General Dynamics	275	10	0.22%	325	9	0.32%
Raytheon E-Systems	-		-	3,500	1	3.47%
Wal-Mart Super Cneters	-		-	1,250	2	1.24%
International/SST Truck	-		-	800	3	0.79%
Kingsley Tools (Danaher)	-		-	550	4	0.55%
Home Depot	-		-	339	8	0.34%
	4,146		3.30%	8,370		9.60%

Sources: City of Garland, Texas - Tax Office & Texas Workforce Commission, Labor Market Information

City of Garland
Full-time Equivalent City Government Employees by Function
Last Ten Fiscal Years
(unaudited)

	Full-time Equivalent Employees as of December 31									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Function										
General Government	350	344	348	351	356	362	370	382	388	384
Police										
Sworn (civil service)	323	323	323	323	323	334	337	348	355	354
Non-Sworn (non-civil service)	133	132	133	133	133	133	133	133	133	134
Fire										
Sworn (civil service)	249	255	255	255	254	254	254	257	264	264
Non-Sworn (non-civil service)	7	7	7	7	7	7	7	7	7	7
Culture and Recreation	157	158	159	159	160	160	160	162	164	163
Internal Services	254	252	252	252	252	253	254	256	262	256
Electric	238	238	249	251	251	251	251	251	235	235
Water	62	64	63	64	64	63	65	65	65	66
Sewer	99	97	97	97	99	100	102	102	102	101
Solid Waste	90	87	87	87	87	87	87	90	97	99
Stormwater Management	25	24	24	24	24	24	24	24	24	24
Golf	28	28	17	16	16	16	16	29	29	28
Special Revenue	44	44	42	41	39	41	42	41	40	45
Total FTE Employees	2,059	2,053	2,056	2,060	2,065	2,085	2,102	2,147	2,165	2,160

Source: City of Garland Budget Office

City of Garland
Operating Indicators by Function
Last Ten Fiscal Years
(unaudited)

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020 *
Function										
Police										
Physical arrests	11,431	11,284	11,168	10,587	9,741	9,151	9,287	8,942	9,731	5,641
Citations issued	53,613	61,591	62,737	57,341	51,924	51,864	60,147	53,737	59,797	38,555
Fire										
Number of calls answered	20,670	21,146	21,924	21,349	22,036	23,058	24,312	25,159	25,439	25,730
Business Inspections	4,116	2,506	2,029	2,354	3,821	5,701	9,105	7,491	5,055	4,955
Highways and streets										
Street resurfacing (miles)	15	23	15	16	21	23	49	36	35	37
Service maintenance requests	1,550	1,719	2,099	1,963	2,573	2,485	2,041	2,796	3,643	2,613
Parks and recreation										
Performing arts center attendance	150,496	158,500	134,637	136,255	161,346	148,241	151,000	149,000	155,000	79,399
Recreation center attendance	1,004,064	1,104,143	1,199,720	1,307,212	1,367,403	1,455,784	1,248,000	1,185,000	1,109,000	575,826
Library										
Volumes, items, or physical units	409,378	337,728	346,108	342,826	363,784	361,733	361,277	357,672	665,737	637,315
Number of Library circulation transactions	1,783,536	1,549,358	1,569,059	1,524,365	1,516,250	1,398,209	1,290,241	1,169,855	1,113,486	576,609
Electric										
Number of accounts	68,034	68,396	69,126	69,262	69,491	69,533	69,929	70,964	71,647	72,295
Average daily usage (KWH)	5,707,569	5,370,791	5,270,163	5,450,915	5,470,273	5,272,563	5,170,775	5,480,345	5,352,577	5,363,593
Water										
New connections	20	103	196	36	177	281	132	199	225	607
Water main breaks	479	400	438	449	344	206	144	264	171	201
Average daily consumption (thousands of gallons)	34,812	29,498	30,058	26,503	26,624	27,315	27,769	29,808	29,249	31,736
Sewer										
Average daily sewage treatment (millions of gallons)	34	34	34	32	39	33	34	37	46	41

Sources: Various City departments

* FY20 statistics are impacted by closures related to the Covid 19 pandemic. Various departments experienced periodic closures to ensure the safety of the public.

City of Garland
Capital Asset Statistics by Function
Last Ten Fiscal Years
(unaudited)

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Function										
Public Safety										
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol Units	81	81	81	123	123	123	122	122	122	155
Fire Stations	11	11	11	11	11	11	11	11	11	11
Highways and streets										
Streets (miles)	697.00	697.00	700.00	700.00	700.00	700.00	702.78	703.64	703.64	703.64
Streetlights	14,068	14,062	14,104	14,060	13,798	14,364	14,418	14,335	14,197	14,138
Traffic signals	185	185	185	190	192	193	192	192	193	194
Parks and recreation										
Parks acreage	2,880	2,880	2,880	2,880	2,880	2,880	2,880	2,880	2,880	2,880
Parks	63	63	63	63	63	63	63	63	63	63
Swimming pools	4	4	4	4	4	4	4	4	4	4
Tennis courts	35	35	35	35	35	35	35	35	35	35
Recreation centers	6	6	6	6	6	6	6	6	6	6
Electric										
Substations	23	23	23	28	28	29	31	32	33	36
Miles of service lines	1,073	1,082	1,090	1,174	1,179	1,190	1,195	1,276	1,283	1,310
Maximum resource capacity (MW)	408.0	408.0	528.0	530.0	530.0	530.0	530.0	523.0	523.0	523.0
Water										
Water mains (miles)	1,113	1,114	1,117	1,118	1,122	1,126	1,130	1,135	960	967
Fire Hydrants	8,244	8,271	8,305	8,325	8,365	8,411	8,465	8,529	8,672	8,752
Maximum daily capacity (millions of gallons)	221	221	221	225	225	225	225	225	225	225
Sewer										
Sanitary sewers (miles)	1,001	1,001	1,003	1,004	1,006	1,008	1,010	1,011	895	900
Maximum daily flow (MGD)	86	108	70	55	135	111	76	143	121	125
Maximum daily treatment capacity (millions of gallons)	64	64	64	64	64	64	64	64	64	64

Sources: Various City departments

Texas Municipal Power Agency
Condensed Financial Information
September 30, 2020

		Amount in (000's)
Total assets	$	368,164
Total liabilities		380,362
Total net assets		(12,198)
Total liabilities and net assets	$	368,164
Total operating revenues	$	54,237
Total operating expenses		19,102
Income from operations		35,135
Total other income(expenses)		4,406
Total interest charges		(8,978)
Deferred cost		(938)
Refunds to member Cities		(26,350)
Change in net assets		3,275
Net assets - beginning balance		(15,473)
Net assets - ending balance	$	(12,198)

Source: TMPA Comprehensive Annual Financial Report

City of Garland
Schedule of Insurance in Force
September 30, 2020
(unaudited)

Insurance Company	Policy Number	From	To	Description	Deductible	Limits
Evanston Insurance Company	SM935531	04/02/20	04/02/21	Medical Professional Liability	$ 2,500	$ 1,000,000
Hudson Excess Insurance Company	CYB100343600	08/21/19	10/01/20	Cyber Liability	$ 50,000	$ 3,000,000
Great American Insurance Company	GVT40276130500	12/03/19	12/03/20	Commercial Crime Coverage	$ 100,000	$ 1,000,000
Great American Insurance Company	IMP52323011200	10/01/19	10/01/20	Contractors Equip. & Fleet Catastrophe	Various	$ 20,000,000
Property Insurance Carriers					Various	$ 500,000,000
Princeton Excess & Surplus Lines Insurance Company	58A3PP000020702	10/01/19	10/01/20	Primary $250,000,000		
Zurich American Insurance Co.	PWG567468401	10/01/19	10/01/20	Primary $250,000,000		
HDI Global Insurance Company	CPD1530602	10/01/19	10/01/20	Primary $250,000,000		
HDI Global Specialty SE (UK)	B1230GP03968A19	10/01/19	10/01/20	Primary $250,000,000		
Ironshore Bermuda	B1263EG0843919	10/01/19	10/01/20	Primary $100,000,000		
Everest Indemnity Company	CA3P006450-191	10/01/19	10/01/20	Primary $10,000,000		
Lloyd's of London - Hiscox	B1263EG0844719	10/01/19	10/01/20	Primary $25,000,000		
Lloyd's of London - Kiln	B1263EG0848119	10/01/19	10/01/20	Primary $25,000,000		
Lloyd's of London - WRB	B126EG0844119	10/01/19	10/01/20	$15M xs $10M Excess		
Lloyd's of London - AUW	B126EG0844519	10/01/19	10/01/20	$40M xs $10M Excess		
Starstone Insurance SW	B1263EG0844419	10/01/19	10/01/20	$90M xs $10M Excess		
Partner Re Ireland Insurance	B1263EG0847919	10/01/19	10/01/20	$25M xs $25M Excess		
Lloyd's of London - Apollo	B1263EG0848019	10/01/19	10/01/20	$25M xs $25M Excess		
Houston Casualty Company	B1263EG0844219	10/01/19	10/01/20	$25M xs $25M Excess		
Lloyd's of London - MAP	B1263EG0847619	10/01/19	10/01/20	$75M xs $25M Excess		
Homeland Insurance Company of New York	795011138	10/01/19	10/01/20	$50M xs $50M Excess		
Evanston Insurance Company	MKLV13XP002988	10/01/19	10/01/20	$50M xs $50M Excess		
Lloyd's of London - Kiln	B1263EG0847719	10/01/19	10/01/20	$150M xs $100M Excess		
Lloyd's of London - Hiscox	B1263EG0844619	10/01/19	10/01/20	$150M xs $100M Excess		
Homeland Insurance Company of New York	795011139	10/01/19	10/01/20	$150M xs $100M Excess		
Nationwide Mutual Insurance Company	FWC0000030867900	10/15/19	10/15/20	Special Events Liability	None	$ 1,000,000
Genesis Insurance Company	YXB301166F	10/01/19	10/01/20	Excess Casualty Coverage	$ 500,000	$ 10,000,000
XL Insurance America	US00076653PR19A	10/01/19	10/01/20	Boiler & Machinery Coverage	Various	$ 100,000,000
Colony Insurance Company	PXL19114301	10/01/19	10/01/20	Excess Workers Compensation	$ 650,000	Statutory/$1,000,000
Indian Harbor Insurance Company	US00086490SP19A	10/01/19	10/01/20	Terrorism Insurance Coverage	$ 25,000	$ 250,000,000
Ategrity Specialty Insurance Company	01CPKP200003090	12/11/19	12/11/20	Liquor Liability Insurance Coverage	None	$ 1,000,000

Sources: City of Garland Risk Management Department